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ASEAN To Include PRC as Dialogue Partner

BK1605152091 Hong Kong AFP in English 0847 GMT 16 May 91

[Text] Kuala Lumpur, May 16 (AFP)—The six-member Association of Southeast Asian Nations (ASEAN) is planning to expand a proposal for dialogue with the Soviet Union to include China, regional diplomats said Thursday.

The diplomats said the plan, expected to be approved by the group's foreign ministers by next week, would bring the Soviet and Chinese foreign ministers to Kuala Lumpur during the ASEAN foreign ministers meeting from July 19-20.

ASEAN groups Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand, and it has largely been linked to the West and Japan.

The secretary-general of Malaysia's Foreign Ministry, Ahmad Kamil Jaafar, said Thursday that a just-concluded meeting of ASEAN senior officials had made "some recommendations" on how to engage the Soviet Union and China.

Mr. Kamil declined to elaborate, saying an announcement would be made after ASEAN foreign ministers had approved the proposals.

"We are hopeful of getting a decision on these recommendations within the next two or three days," he said.

Diplomats said the Soviet Union or China were unlikely to become fully-fledged dialogue partners like the United States and Japan at the July meeting, although this would be one of ASEAN's longer-term objectives.

The ASEAN foreign ministers hold a post-ministerial conference with their counterparts from the United States, Canada, the European Community, Japan, Australia and New Zealand after their annual meeting.

South Korea will join the list of dialogue partners for the first time this year during the post-ministerial talks from July 22-24.

The post-ministerial talks focus on expanding trade and investment links but also cover political issues such as the Cambodia conflict and the exodus of Vietnamese boat people.

ASEAN diplomats said the Soviet and Chinese foreign ministers would probably meet with their ASEAN counterparts during the annual foreign ministers meeting.

"I don't think they will have any role at the post-ministerial conference at least not until their status as a fully-fledge dialogue partner is established," an ASEAN diplomat said.

Mr. Kamil said the senior officials had set up a working group to study a Malaysian proposal for an East Asian Economic Grouping (EAEG).

He said the working group would report its recommendations to the ASEAN foreign ministers meeting and to an ASEAN economic ministers conference scheduled for October.

Japan

U.S. Vice President's Visit Continues

OW2105041391 Tokyo KYODO in English 0348 GMT 21 May 91

[Text] Tokyo, May 21 KYODO—U.S. Vice President Dan Quayle emphasized Tuesday the need to conclude the Uruguay Round of trade talks and urged all nations to put all "sensitive agricultural commodities" on the negotiating table.

Quayle told reporters the United States and Japan must take the lead in ensuring the success of the multilateral trade talks which have been stalemated for months as nations attempt to protect their farmers by excluding agricultural products from the negotiations.

Characterizing negotiations as a "cat-and-mouse game," the vice president said the U.S. is ready to put its protected farm products on the table and urged Japan, the European Community, and all nations to do the same.

In meetings Monday with political and business leaders, Quayle said he also raised the issue of automobiles since, according to the vice president, about 75 percent of the U.S.-Japan trade imbalance is related to automobiles.

He urged that U.S. carmakers be allowed greater access to the Japanese market through an expanded network of dealerships and that the issue be taken up in the next round of market-oriented selective (MOSS) talks.

Quayle also asked Japanese leaders to consider using more U.S.- made auto parts in their U.S.-base transplants, warning that the contents of Japanese cars being built in the U.S. is becoming an issue among American consumers.

In meetings with Prime Minister Toshiki Kaifu and other political leaders, Quayle said he underscored a theme of "global partnership" and stressed that along with being the second strongest economy in the world comes responsibility to pursue peace and economic development in opportunities around the world.

He hailed Japan's contribution of 13 billion dollars to the multinational efforts in the Persian Gulf crisis and its aftermath and said the U.S. is "grateful" for the deployment of Japanese minesweepers to the Persian Gulf.

This, he said, "emphasizes and underscores the global partnership and global responsibilities that Japan takes very seriously."

Quayle said he is convinced the issue of a 400 million dollar shortfall in a 9 billion dollar pledge by Japan to the Persian Gulf effort due to a change in the yen-dollar exchange rate "will be resolved, sooner rather than later. And then, that issue will be behind us."

Quayle, winding up his two-day visit to Japan, later left to continue his swing through Asia with stops in Singapore and Indonesia.

He remarked Tuesday that negotiations with the Philippines over continued use of military bases there are in their "final hours," with disagreements on compensation and duration nearly "98 percent" overcome.

Saying the issue of most favored trade status for China was still undecided in Washington, Quayle stressed that President George Bush, a former ambassador to China, "understands the importance of the relationship with China" and would manage the relationship "in a positive way" to get results through political and diplomatic means.

Quayle said the U.S. wants China to be more sensitive to human rights and arms proliferation issues, adding the U.S. "continues to deplore the tragedy at Tiananmen Square" and remains "very concerned about the recent proliferation of missiles, perhaps being exported by China, to the Middle East and other volatile areas of the war." [as received]

Meets LDP Leaders; Departs

OW2105063691 Tokyo KYODO in English 0526 GMT 21 May 91

[Text] Tokyo, May 21 KYODO—U.S. Vice President Dan Quayle told leaders of the ruling Liberal Democratic Party (LDP) on Tuesday that the liberalization of Japan's rice market is more than just a trade issue, but rather, an important political and symbolic issue.

Urging a "political solution" over breakfast with five senior LDP members, Quayle stressed the need to resolve bilateral agricultural issues between the United States and Japan and then press European nations into reducing what he called their protectionist policies.

Quayle further emphasized the need to settle the rice market dispute to reach a successful conclusion to the Uruguay Round of multilateral trade negotiations.

The U.S. has repeatedly asked Japan to open its market to American rice.

The LDP leaders and government officials, in separate press briefings, expressed reservations about rushing into a decision about the nation's rice market.

"Even if the rice market is liberalized through Japan-U.S. talks, it would not remove farm subsidies and import duties within the European Community," former Agriculture Minister Tsutomu Hata remarked at the breakfast session.

Hata reaffirmed, however, the importance of success in a new round of trade negotiations and said Japan wanted to think further.

In a separate press conference, Minister of Agriculture, Forestry, and Fisheries Motoji Kondo took issue with the idea of a "political solution" to the trade negotiations and assertions that market liberalization is "unavoidable."

"The rice problem is currently only being discussed within the GATT (General Agreement on Tariffs and Trade)-sponsored Uruguay Round of trade talks and has not yet reached the political level," Kondo told reporters after a cabinet meeting.

The minister countered suggestions Sunday by former Deputy Prime Minister Shin Kanemaru that the opening of the Japanese rice market is "unavoidable," adding that "as long as restrictions on rice imports are being discussed within GATT, there is no need for bilateral discussions with the U.S."

Kanemaru on Tuesday told Mitsugu Horiuchi, head of the Central Union of Agricultural Cooperatives, that Japan "must consider the importance of Japan-U.S. relations," in an apparent reference to the rice market dispute.

Foreign Minister Taro Nakayama cautioned after the cabinet meeting, however, that even a partial opening of the rice market must take into account "preserving food security, protecting the environment, and the lives of people who depend upon rice farming."

At the breakfast meeting, Quayle also urged improvement in the opening of Japan's construction market and the "keiretsu" system of exclusive interlocking corporate relations.

Former Defense Agency Director General Taku Yamasaki told Quayle that Japan is looking into the possibility of forming a "peacekeeping operations" team to cooperate with U.N. ceasefire observation forces.

It is not considering, however, taking part in a U.N. peacekeeping force, Yamasaki said.

Wrapping up his two-day visit to Japan, Quayle went to the U.S. naval base at Yokosuka, Kanagawa Prefecture, where he visited the U.S. aircraft carrier Midway which took part in the Persian Gulf war and inspected the Japanese minesweeper Kamishima.

The vice president later departed for Singapore on the next leg of his Asia tour from the Atsugi U.S. military base in Ayase, Kanagawa Prefecture.

Ministry Comments on SII Talks With U.S.

OW2105111591 Tokyo KYODO in English 1057 GMT 21 May 91

[Text] Tokyo, May 21 KYODO—Japanese and U.S. trade negotiators remained wide apart Tuesday over their assessments of Tokyo's efforts in the past year toward strengthening legislation to deter collusionary business practices, a source at the Foreign Ministry said.

The two sides thus failed to produce an expected report that was to assess progress in implementing the commitments made by both parties last June as they concluded the Structural Impediments Initiative (SII) follow-up talks, which were aimed at dismantling structural barriers to trade and foreign investments in both countries.

On Tuesday, the second day of the current talks, the negotiators from the two governments tried to narrow the gap between them over what marks should be given to Japan's efforts to date to bolster its antimonopoly enforcement and make less exclusive the relations among Japanese firms based on interlocking shareholdings, known as keiretsu, the source said.

The U.S. did not accept Japan's argument that it has followed through on all the pledges it made on these issues in the final report, including revision of the country's antimonopoly law, according to the source.

Washington officials said the measures taken so far are still far from satisfactory, the source said.

Negotiations on the drafting of the follow-up report will most likely move into an unscheduled third day, he said.

In Tuesday's meeting, Japan claimed it has taken some significant steps toward cracking down on collusive business practices.

The Japanese officials said their government has raised the penalty levy on cartels to a maximum 6 percent of sales from the former maximum of 2 percent, and has also decided on a sharp boosting of criminal penalties against cartels.

Tokyo is also planning to lower the costs for civil lawsuits to encourage private-sector suits against cartels, Japanese officials reportedly told their U.S. counterparts.

On the keiretsu issue, the Japanese Government is considering measures to give minor shareholders more say in corporate management.

But the U.S. side said additional measures are needed to satisfy them, including a further hike of the cartel surcharge and expansion of outside board members.

Washington also called for the revision of the commercial law by the end of the fiscal 1991, the source said.

An early conclusion to the talks depends on whether Japan can offer additional measures in line with the U.S. requests, he said.

On the U.S. commitments made in the SII final report, in contrast, the two sides were nearing agreement on the wording of the follow-up report, the source said.

Japan expressed dissatisfactions concerning U.S. promises to cut its towering budget deficit, boost private-sector savings, and enhance the competitiveness of U.S. companies.

The U.S. reportedly vowed to make further efforts to achieve these goals.

MITI Remarks on U.S. Stand on Turtle Shells

OW2105074291 Tokyo KYODO in English 0606 GMT 21 May 91

[Text] Tokyo, May 21 KYODO—International Trade and Industry Minister Eiichi Nakao said Tuesday the United States indicated reluctance to accept his suggestion that Japan should delay the introduction of an import ban on shells of endangered sea turtles.

The shells are used by craftsmen in southern Japan to make tortoiseshell handicraft items.

Nakao told a press conference after a cabinet meeting that U.S. officials insisted on early implementation of the ban, and said his suggestion of a three-year delay would be unacceptable to interested groups in the U.S.

Japan announced last Friday that it will phase out imports of hawksbill shells as soon as possible, bowing to U.S. pressure. Some Japanese officials had been concerned at the possibility of retaliation by the U.S.

Trade in the sea turtle is banned by an international treaty to protect endangered species.

Asked about Prime Minister Toshiki Kaifu's remarks about a three- year delay in his meeting Monday evening with U.S. Vice President Dan Quayle, Nakao said the government had not made any final decision on the issue.

But he said the ministry estimates it would take about three years to implement measures needed to soften the effects of a ban on the craftsmen affected.

The measures include job training to help them find new ways to earn a living, and developing an artificial alternative to hawksbill shells, he said.

Meanwhile, Labor Minister Sadatoshi Ozato said the ministry will provide unemployment insurance payments to the workers who lose their jobs due to the expected import ban.

Ozato told a separate press conference that the step will affect about 1,800 people.

He also said the ministry plans to use a law on securing stable employment in recession-gripped industries to help those affected.

"We are ready to take every possible measure to alleviate the pains that the people in the industry will feel," he said.

The law has been applied to 13 industrial sectors so far, including coal and processing of frozen fish.

It provides for financial assistance to employers in the designated industries as well as help for workers to find new jobs.

U.S. Military Land Lease Talks 'Inconclusive'

OW2105062491 Naha RYUKYU SHIMPO in Japanese 21 May 91 Morning Edition p 1

[Text] Negotiations toward a political settlement of the issue of the governor acting on behalf of the national government in the circulation and perusal of documents relating to the forcible use of military land not covered by any contract are still in progress. The prefectural leadership held several meetings on 20 May on the government's proposed concessions, which have been presented through the Naha Defense Facilities Administration Bureau [DFAB]. The prefecture has already indicated dissatisfaction with the fact that the concessions the government proposed to make fall far short of the conditions posed by Governor Ota for undertaking the administrative procedure, and has been urging the government to list more concrete concessions on paper. Thus, crucial negotiations between the prefecture and the Naha DFAB were inconclusive and the meeting was extended late into the night. The focus of negotiations between the prefecture and the national government on the circulation and perusal procedure has now moved from a "planned return of the bases" to "institutional measures" to solve the bases issue.

On the return of the bases and use of returned land, the government has made concessions promising an "appropriate and planned return, and the realization of new measures" at working level negotiations on 19 May. However, the meetings of the prefectural leadership on 20 May came to the conclusion that the conceptual basis of the government's concessions is drastically different from that of Governor Ota's categorical demand for "new institutional measures, including legislations," on four items presented on 2 May.

Consequently, the prefecture holds that "the government's concessions fall far short of the governor's proposals" and has asked the Naha DFAB to reconsider the proposed concessions. At present, crucial negotiations are being held on whether institutional measures are to include "legislation".

On the part of the Naha DFAB, it has taken a negative attitude toward special legislation to solve the bases issue, saying this is outside its jurisdiction. However, in the recent proposed concessions, it has somehow compromised with the commitment to "persuade concerned ministries and offices on the prefecture's demands which are outside its jurisdiction."

Nevertheless, the prefecture has remained firm on its position that "this might even apply brakes to the formulation of legislation on special measures for the use of returned military land, which the governor is demanding." Under the present situation, the governor might further postpone his decision on whether to agree to undertake the land lease procedure, depending on the next step the national government takes.

Kaifu Signals Support for SDF Role in UN Work

OW2105094791 Tokyo KYODO in English 0917 GMT 21 May 91

[Text] Tokyo, May 21 KYODO—Prime Minister Toshiki Kaifu on Tuesday indicated his support for a Self-Defense Forces (SDF) role in UN peacekeeping missions and urged a further debate on the issue.

Kaifu noted in a luncheon address that UN ceasefire observation teams are commonly composed of military personnel.

"If Japan wishes to make a useful contribution, it must not be an uninvited guest," he told members of the Asian Affairs Research Council.

"I want the Japanese people to reconsider and debate what is necessary to maintain peace. I would like to see a plan put before the Diet (parliament) as soon as possible," he said.

Kaifu's ruling Liberal Democratic Party and the centrist Komeito and Democratic Socialist Party (DSP) pledged last November to work on joint legislation establishing a basis for Japan's participation in UN peacekeeping operations.

The three parties agreed to establish an organization separate from the SDF last November after the government failed to gain approval for a bill that would have allowed the SDF to play a noncombat role in military actions sanctioned by United Nations resolutions.

Political observers say they expect an extraordinary session of parliament will be convened in the summer to deliberate a new bill.

The DSP has already stated publicly that its supports a role for the SDF, while Komeito has been noncommittal.

In the wide-ranging speech, Kaifu was unenthusiastic about Malaysia's proposed East Asian Economic Group Tuesday, warning that its formation would invite "trouble and misunderstandings" and that it could hinder efforts to promote free trade.

The world must fight a tendency toward splitting up into small trade blocs, Kaifu said.

"At a time when we are trying to build a free trade system, we shouldn't create problems and misunderstandings with the aimless establishment of lots of small groups," Kaifu said.

He was referring to a proposal by Malaysian Prime Minister Mahathir Mohamed, who is urging Japan to lead Asian countries in forging a regional trade organization to counter similar links in North America and the European Community.

The concept has been opposed by the United States, Japan's leading trade partner, which is concerned that the all-Asian trade group could lead to protectionism.

"Some may criticize me for taking a cool and impassive approach toward the East Asia economic group, but I am thinking from a global perspective, one that will benefit Asia," Kaifu said to some 160 business executives and scholars on hand.

Kaifu said that Asian economies have prospered in large part due to their trade with the United States, and that it is in Asia's interest to maintain the free-trade system.

He pledged to continue pressing for even-handed trade policies toward Asia from the European Community, which will integrate its market next year.

The prime minister said he will make the same case to the United States, Canada and Mexico, which are putting together the North America free trade arrangement.

Mahathir told Kaifu during his visit to Malaysia last month that the grouping would enhance free trade. But Kaifu said he needed time to think over the idea.

Kaifu also reportedly said he would like to see a consensus reached on the proposal by the six-nation Association of Southeast Asian Nations [ASEAN] before Japan takes a position.

ASEAN consists of Indonesia, the Philippines, Thailand, Malaysia, Singapore, and Brunei.

Kaifu's cautious stance prompted criticism from Malaysian officials and mass media, who said that Tokyo is overly dependent on Washington.

On the Uruguay Round of multilateral trade talks, Kaifu reiterated that Japan is prepared to act in concert with the U.S. and European Community to break the deadlock on farm trade.

"I have told key ministers that Japan must not cause the failure of the Uruguay Round," he said.

The comments came shortly after visiting U.S. Vice President Dan Quayle urged Japanese leaders to find a "political solution" that would lead to liberalization of Japan's rice market.

Japan is being urged to partially open its rice market to help reach a successful conclusion to the talks.

The Asian Affairs Research Council, an affilitate of the DAILY MAINICHI SHIMBUN, sponsors lectures and conducts research on political, economic, and cultural affairs in Asia.

Minister: Gulf Aid Not Linked to Shortfall

OW2105051791 Tokyo KYODO in English 0452 GMT 21 May 91

[Text] Tokyo, May 21 KYODO—Finance Minister Ryutaro Hashimoto reiterated Tuesday that new economic assistance Japan plans to extend in the Persian Gulf region is not designed to make up for an alleged shortfall in the second contribution Japan made to the U.S.-led allied forces in the Gulf war.

After paying 2 billion U.S. dollars to the U.S.-led forces last year, Japan in January pledged another 9 billion dollars. The Diet passed an appropriation in yen terms, but when the money was handed over in mid-March exchange rate fluctuations had reduced its dollar value to some 8.6 billion dollars.

Speaking at a regular press conference, Hashimoto ruled out the idea of making up the difference by paying from the national reserve fund.

Visiting U.S. Vice President Dan Quayle urged Hashimoto on Monday to resolve the disagreement over the contribution.

Hashimoto's comment came following reports that the government was considering new Persian Gulf contributions as a means of making up the difference by drawing from the national reserve fund.

The U.S. has demanded that Japan pay the difference of some 400 million dollars, while Japan maintains it paid the full contribution at the exchange rate prevailing at the time the pledge was made and says it has no intention of paying any more.

Instead, the Japanese Government said it would increase monetary assistance for various tasks related to the war's aftermath.

Hashimoto repeated the same idea Tuesday, citing possible new aid for Kurdish refugees and for extinguishing oil well fires in Kuwait.

"Such assistance could be extended as Official Development Assistance and as grants in aid," Hashimoto said, adding in such cases the government could pay from the reserve fund.

Touching on the Uruguay Round of multilateral trade talks, Hashimoto said the government should form a ministerial-level meeting in June in order to form a consensus on the trade talks.

Urges Debate on Aid

OW2105073791 Tokyo KYODO in English 0716 GMT 21 May 91

[Text] Tokyo, May 21 KYODO—Finance Minister Ryutaro Hashimoto on Tuesday called for international discussions on aid to the war-ravaged Persian Gulf region.

In a speech read on his behalf by Vice Finance Minister Masami Kogayu to a meeting of the Zenshinren Bank, an organization of credit banks, Hashimoto said aid to the Gulf region should be considered as part of efforts to deal with fund shortages in the world, including developing countries and East Europe.

He said there should be more international discussions on the issue.

Turning to the domestic situation, Hashimoto said government curbs on bank lending to real estate companies have been effective in controlling land price inflation.

Noting that land prices have actually gone down in some parts of the nation since last autumn, he said this is largely thanks to the restraints, introduced in April 1990.

As for the deregulation of interest rates on liquid deposits, proposed by a Finance Ministry advisory panel, Hashimoto said the government will move soon in that direction, keeping the problems of smaller financial institutions in mind.

Finance Minister Announces Loans to Iran

LD2005193591 Tehran IRNA in English 1749 GMT 20 May 91

[Text] Tokyo, May 20, IRNA—Japan has agreed to grant loans to Iran to implement development and industrial projects, Japanese finance minister Hyutaro Hashimoto told Iranian ambassador Husein Kazempur Ardebili, here Monday.

The Japanese minister also announced Tokyo's willingness to have long term economic cooperation with the Islamic Republic of Iran.

Japan granted Iran a loan of yens 28.8 billion in 1975 for construction of a joint petrochemical complex at Imam Khomeyni port which was left unfinished with the start of the Iraqi aggression on the Islamic Republic in 1980. Later the Japanese partner abandoned the project citing economic reasons.

The Iranian ambassador told the Japanese minister that despite an unprecedented expansion of trade exchanges between the two countries the lack of long-term economic and technical cooperation was strongly felt.

Kazempur Ardebili, also invited the Japanese finance minister, on behalf of his Iranian counterpart Mohsen Nourbakhsh, to pay an official visit to Tehran which was accepted by him.

Hungarian State Finance Minister Visits

OW1705102491 Tokyo KYODO in English 0910 GMT 17 May 91

[Text] Tokyo, May 17 KYODO—Hungarian State Minister of Finance Katalin Botos, now visiting Japan, said Friday her country needs know-how from Japan and other Western nations for the training of financial system experts in order to further the drive to a market economy.

She said Hungary is drastically changing its domestic financial laws and banking systems to meet international financial rules such as those set by the Bank for International Settlements (BIS).

The country is also considering the establishment of financial institutions which will share risks with commercial banks in the financing of small- and medium-sized enterprises.

An export credit system is also under consideration, she said.

Amid such massive change, Hungary needs to increase the number of financial experts who are familiar with international financial systems, Botos said, calling on the Japanese Government and financial organizations to help with the training of these experts.

Botos is visiting Tokyo, by invitation, to participate in a financial and monetary system seminar under way here through Friday, and agreed to an interview with KYODO News Service.

Asked about other problems in the country's economic reform, Botos pointed out that private enterprises are suffering from an "excessive burden" of debt, contracted in the 1980's when the country held to a tight monetary policy.

She also said she is concerned about Hungary's agriculture and food industries, which are expected to face increasing international competition from now on, because they are relatively small in scale and might have a difficult time competing.

The country prefers to push economic reform by promoting exports and direct foreign investment rather than by introducing new foreign loans, Botos said.

Because Hungary's foreign debt is the largest among the East European countries in per capita terms, new loans are not desirable even at low interest rates, she said.

As for damage to the economy from the Persian Gulf war, Botos said it was smaller than expected as crude oil prices were stabilized relatively quickly.

Exports to Western countries have increased, bringing the ratio of exports to the Soviet Union down to 30-40 percent of the total from over 50 percent in the past, she said.

But the Soviet Union will remain a large market for Hungary once its domestic political and economical situation is stabilized, so Hungary will not devote its attention solely to the Western economies, she added.

Kaifu Meets With Hungarian Parliamentarians

OW2005100991 Tokyo KYODO in English 0823 GMT 20 May 91

[Text] Tokyo, May 20 KYODO—Prime Minister Toshiki Kaifu Monday called for an early conclusion of an investment protection agreement with Hungary, a Foreign Ministry official said.

Kaifu's comment was in response to a request for greater economic and technical assistance by the visiting speaker of Hungary's parliament, Gyorgy Szabad, the official said.

Szabad, here on a four-day visit at the invitation of his Japanese counterpart Yoshio Sakurauchi, told Kaifu that Hungary intends to pay back in full its debts to Japan, and would like to become a trusted partner.

Around half of Hungary's total 20 billion dollar foreign debt is owed to Japan, mostly to the private sector.

Szabad also told Kaifu that Hungarian Prime Minister Jozsef Antall would like to visit Tokyo in September, and extended Antall's invitation for Kaifu to make a second trip to Hungary.

Kaifu visited Hungary in January 1990 on a historic trip to Eastern Europe during which he pledged to boost economic ties, and support political reforms underway.

Kaifu said that a date for Antall's visit will be arranged via diplomatic channels, the official said.

Szabad is to meet with business leaders and members of the Diet Tuesday before departing for South Korea Wednesday.

His itinerary may be revised, however, due to student rioting in South Korea, the Foreign Ministry official said.

Irish Foreign Minister Collins Begins Visit

Meets Nakayama

OW1605141691 Tokyo KYODO in English 1218 GMT 16 May 91

[Text] Tokyo, May 16 KYODO—Visiting Irish Foreign Minister Gerard Collins called Thursday for an increase in Japanese investment in Ireland, Foreign Ministry officials said.

They said Collins told Foreign Minister Taro Nakayama in a 90- minute meeting that more Japanese investment and joint ventures are needed to help Ireland bring down its high unemployment.

Collins, the first Irish foreign minister to visit Japan since 1978, drew attention to the fact that half of U.S. investment in Europe is located in Ireland, the officials said.

He added that while Japan's investment is not nearly as substantial, the 34 Japanese companies now located in Ireland have created jobs for 3,500 people.

Nakayama, citing Ireland's well-qualified labor force, said he hopes to see the level of Japanese investment rise, according to the officials.

They said Nakayama requested Ireland's support for Japan's drive to boost political dialogue with the European Community (EC).

Collins indicated Ireland's support for Japan's proposal that a forum for regular Japan-EC summit-level talks be set up along the lines of similar arrangements between the EC and the United States and Canada, they said.

The Irish foreign minister arrived in Japan on Wednesday for an eight-day stay as a guest of the Foreign Ministry.

Nakayama was quoted as saying it is "very regrettable" that the EC earlier this week approved antidumping duties of up to 25 percent on imported Japanese audio tapes and cassettes.

Officials said he indicated such a move can only serve to discourage Japanese direct investment in EC countries at a time when they are trying to encourage it.

Collins called for the opening of a direct air route between Japan and Ireland to facilitate an increase in Japanese tourism to Ireland. He said Ireland would meanwhile receive Japanese charter flights without demanding any reciprocity.

Nakayama replied that the idea of a direct air route will be worth discussing after the number of Japanese tourists traveling to Ireland increases to a higher level.

Officials said Nakayama and Collins devoted part of their discussion to the problem areas of the Middle East and Cambodia.

They said Ireland offered to share with Japan its lengthy experience gained in participating in United Nations peacekeeping operations. Ireland presently has over 800 personnel involved in peacekeeping operations, including some in Lebanon and Cyprus.

Nakayama said Japan wants to consult with Ireland on how Japan can best go about participating in peacekeeping activities after a domestic legal basis for such operations is established.

Collins will meet Friday with Prime Minister Toshiki Kaifu and will be received in audience with Emperor Akihito before paying a visit to western Japan.

Minister Supports Global Role

OW1705075791 Tokyo KYODO in English 0623 GMT 17 May 91

[Text] Tokyo, May 17 KYODO—Irish Foreign Minister Gerard Collins encouraged Prime Minister Toshiki Kaifu on Friday in his bid to establish a more active role for Japan in UN peacekeeping operations, a Foreign Ministry official said.

The two men also agreed on the need to strengthen ties between Japan and the European Community (EC), the official said.

Collins, here at the invitation of the Japanese Government, offered to share Ireland's know-how as an active contributor to UN peacekeeping forces once Japan passes a new law outlining its enhanced participation.

Kaifu responded that he is determined to find new ways of boosting Japan's contribution in times of international emergencies.

He cited Japan's recent dispatch of medical teams to assist Kurdish refugees and victims of the killer cyclone that struck Bangladesh last month.

Kaifu has been striving since last fall to pass legislation formalizing a way of dispatching personnel to international peacekeeping efforts backed by the United Nations but so far his attempts have been snagged over debate on a role for the nation's Self-Defense Forces (SDF).

Japan's Constitution bars the use of force to resolve international conflicts and some Japanese fear that ending a taboo on sending the SDF abroad could drag Japan into conflicts overseas for the first time since the nation's defeat in World War II.

Government officials say they hope the ruling Liberal Democratic Party and two opposition parties, Komeito and the Democratic Socialist Party, will arrive at a consensus on creating a new legal regimen regarding contributions to UN peacekeeping activities by summer.

Collins said Ireland, which has some 800 troops dispatched to UN peacekeeping operations in five locations, is prepared to share its experience with Japan.

Collins also suggested that Japan and the EC launch regular high- level meetings like those recently initiated between leaders of the EC, and the United States and Canada.

In response, Kaifu agreed that exchanges between Japan and the EC should be strengthened.

Collins, the first Irish foreign minister to visit here in 13 years, welcomed Japan's increasing investment in his country.

He also invited Kaifu to visit Ireland.

Collins met Emperor Akihito on Thursday and will meet Minister of International Trade and Industry Eichi Nakao on Friday.

He is to travel to Nagasaki and Oita in Kyushu, the southernmost of Japan's four main islands, as well as Osaka and Kyoto, before leaving Japan next Wednesday.

Comments on Japanese Plants

OW1705122591 Tokyo KYODO in English 1124 GMT 17 May 91

[Text] Tokyo, May 17 KYODO—Irish Foreign Minister Gerard Collins vowed Friday to defend Irish jobs and economic benefits stemming from Japanese plants on its territory if new French Prime Minister Edith Cresson tries to oppose the inflow of Ireland- manufactured Japanese products into Europe.

"We have every faith and confidence to defend our interests," Collins said at a news conference at the Japan National Press Club.

Collins, currently on an eight-day visit to Japan through May 22, was responding to a reporter's question on how the Irish will respond if Cresson, a long-time critic of Japanese exports to the European Community, resumes her vocal assaults against the presence of Japanese manufacturers in Europe.

"I am quite sure...that she will maintain her role and position on behalf of French people. ...(However) there will be no hostility directed at Japan as far as we (the Irish) are concerned," the Irish foreign minister said.

Earlier in the day, Collins asked Japanese Prime Minister Toshiki Kaifu and Foreign Minister Taro Nakayama to encourage further industrial investment in Ireland from Japan.

"My message to Japanese people is that there would be a very warm and friendly welcome for Japanese investment and Japanese people in Ireland as a solid base for...commencing the (manufacturing) operations or building up existing operations for successful involvement in the European market," he said.

Last October, Cresson, an political ally of President Francois Mitterrand, quit her ministerial post, citing the lack of a strong French industrial policy which she said left France and other EC nations "defenseless" in the face of an extensive Japanese export drive.

Cresson's appointment to the premiership Wednesday has reportedly stirred concern in both the Japanese and British Governments.

Cresson has long insisted that British-made Japanese automobiles should be categorized as imports into the European Community and be subjected to a heavier import duty, rather than being allowed to enjoy the same privileged inter-EC cross-border trade status as local makers.

Collins said his government's stand differs from that of the new French prime minister, adding, "The Irish Government has created a favorable environment which has ensured that Ireland is an ideal base from which to operate in the (upcoming) new single European market."

The Japanese Government and business community have repeatedly voiced fears that European monetary and economic integration might lead to an erection of unified European trade barriers that could shut out Japanese imports and regulate other Japanese business activities in the EC.

Collins, a one-time president of the EC Council of Foreign Ministers, said that although 40 percent of the automobiles sold in Ireland annually are made by Japanese automakers, his government has no intention to clamp down on the Japanese imports. "They're damn good cars," he said.

However, he appealed to the Japanese Government and business community to honor the reciprocal trade principle of sharing the business benefits by increasing the procurement of auto parts manufactured by domestic Irish firms for use in Japanese-made cars in exchange for continued free access to the Irish auto market.

At present, 34 Japanese firms are operating in Ireland.

India To Receive $150 Million Emergency Loan

OW2005032791 Tokyo NHK General Television Network in Japanese 1000 GMT 18 May 91

[Text] India is now suffering from a serious foreign currency shortage because of the Gulf war and other reasons. In this connection, industrialized nations have decided to cooperate in providing a large amount of financial aid to that country. In advance of this aid, Japan has decided to provide India with an emergency yen-based loan amounting to $150 million.

Because of the Gulf war, Indian workers with jobs in the Gulf area returned home, and almost no more funds are being sent home now. Moreover, India's trade situation is characterized by stagnation. As a result, the Indian economy has been affected, and its foreign currency reserve has been reduced to several billion dollars at present.

In this connection, Japan for its part has decided to provide emergency financial support for India in cooperation with the Asian Development Bank [ADB]. While the ADB will provide $150 million in loans, Japan also has decided to provide the same amount in loans perhaps as soon as early June.

It is expected that various industrialized nations, including the United States, also will join in this cooperative financing, which eventually will reach $1 billion.

It has been observed that the Japanese Government has decided to take the lead in providing loans because there are increasingly greater expectations of Japan as leader in Asia, and because if the economy of India, whose population is approaching 900 million, goes bankrupt, it probably will have a serious impact on international financial circles.

From now until July, India will be asked to repay a total of $4 billion to private banks. In the wake of the decision of industrialized nations on cooperating in support of India, however, it is expected that private banks will provide India with financing assistance for the time being through such measures as agreeing to loan renewals.

LDP Official on Possible Rice Market Opening

OW2005120791 Tokyo KYODO in English 1122 GMT 20 May 91

[Text] Tokyo, May 20 KYODO—A senior member of the ruling Liberal Democratic Party (LDP) predicted Monday that Japan would decide on a partial opening of its rice market by the end of June.

The official, who declined to be named, said the United States hopes Japan will take the initiative in leading the stalled Uruguay Round of multilateral trade talks to a successful conclusion.

The official said it is desirable for Japan to make the decision in early June when the Organization for Economic Cooperation and Development (OECD) holds a ministerial meeting.

Japan has long resisted growing pressure from Washington to open its rice market due to a policy that claims rice imports will threaten national security. The LDP, which depends heavily on support from farmers, has worked on the government to keep the rice market under control to protect the domestic industry.

The multilateral talks under the General Agreement on Tariffs and Trade (GATT) have been deadlocked over the reluctance of Japan and West European countries to liberalize farm trade.

Japan told a GATT meeting Saturday it will keep regulating rice imports, but is ready to ease restrictions and accept a minimum access formula by setting a ceiling on annual rice imports.

The LDP official disclosed that Washington asked the party to make a decision on the rice issue before the House of Councillors election in summer next year.

He said it is preferable for Japan to decide on the opening of the rice market before the London summit of seven Western industrialized democracies.

Keidanren Chairman Urges Early Political Reform

OW2005100891 Tokyo KYODO in English 0936 GMT 20 May 91

[Text] Tokyo, May 20 KYODO—Gaishi Hiraiwa, chairman of the Federation of Economic Organizations (Keidanren), Monday urged the ruling Liberal Democratic Party (LDP) to work out a political reform plan by October when Prime Minister Toshiki Kaifu completes his LDP presidency term.

Delaying the reforms until after the LDP presidential election would not be good, Hiraiwa said.

Prime Minister Kaifu has promised to do his utmost to complete political reforms centering on changes to the single-seat constituencies in the House of Representatives and developing a proportional representation electoral system.

Former Deputy Prime Minister Shin Kanemaru reportedly told party members earlier that the reforms must be delayed until after the October party election unless party members build a consensus on the issue.

Discussing a recent simmering quarrel between senior LDP leader Takeo Nishioka and the Association of Corporate Executives (Keizai Doyukai) over political philosophy, Hiraiwa said cozy relations between politicians and business leaders are bad.

Hiraiwa said political and economic leaders must deepen communications between them to know each other's political creeds.

Masaru Hayami, chairman of the Keizai Doyukai, earlier said politicians had no political philosophy when he watched them work.

Business Leader Encourages Political Reform

OW1705142091 Tokyo KYODO in English 1351 GMT 17 May 91

[Text] Tokyo, May 17 KYODO—Japanese business leader Masaru Hayami on Friday called on Prime Minister Toshiki Kaifu to achieve his "political reform" target during his term of office as publicly pledged.

Hayami, chairman of the Japan Association of Corporate Executives, or Keizai Doyukai, made the remark at a news conference in Tokyo.

He said the ruling Liberal Democratic Party (LDP) should quickly draw up a political reform plan.

It is generally understood that "political reform" refers principally to a reform of the electoral system featuring a reduction in the number of seats in the House of Councillors and introduction of a combined single-seat constituency and proportional representation system for the House of Representatives.

Hayami had earlier criticized Japanese politicians as lacking a philosophy of politics, drawing a strong rejoinder from Takeo Nishioka, chairman of the LDP's Executive Council.

Turning to monetary policy, Hayami indicated that he would have no objection to a cut in the official discount rate by the Bank of Japan. He said businesses are suffering from high interest rates and he sees no sign of business perkup in Japan.

While the current trend of a depreciating yen poses a problem, short-term interest rates have tended downward, and there has been some change in the stance of the monetary authorities, Hayami said.

LDP To Reform Financial Institutions

OW2105093091 Tokyo KYODO in English 0821 GMT 21 May 91

[Text] Tokyo, May 21 KYODO—The ruling Liberal Democratic Party plans to reform government-funded financial institutions to make more effective use of public funds, a party official said Tuesday.

Tetsuo Kondo, head of the party's Finance and Banking System Research Committee, told reporters the proposed reform will be a follow-up to the reorganization of private institutions planned by the government.

Kondo said his committee will submit a reform bill to the Diet in late 1993 for approval.

The committee will also review a wide range of present systems, including the government's fiscal investment and loan program, in order to cope with the internationalization of the financial market, he said.

Kondo said the reform would also be designed to ensure that government-financed institutions play a key role in meeting the needs of the graying society, building up social overhead capital and promoting international cooperation.

Sources in the party said the reform would involve reorganization of development banks and finance corporations, including the Housing Loan Corp.

They said the ruling party hopes the government's fiscal investment and loan program, aimed mainly at improving the domestic infrastructure, will also be used to finance similar projects overseas.

Abe Faction To Adopt Collective Leadership

OW1605121991 Tokyo KYODO in English 1035 GMT 16 May 91

[Text] Tokyo, May 16 KYODO—Members of the ruling Liberal Democratic Party (LDP) faction formerly led by the deceased senior party leader Shintaro Abe agreed Thursday to form a collective leadership of its member parliamentarians who have won Diet elections more than seven times.

The faction members reached the agreement at the first general and senior-member meetings since Abe, a former foreign minister and influential conservative politician, died of liver failure in a Tokyo hospital Wednesday.

The meetings called on the faction members to unite closely to increase the strength and the credibility of the faction in the party.

Hiroshi Mitsuzuka, one of the senior leaders of the faction, said Abe had wanted to create a decision-making body of veteran parliamentarians within the faction.

Transport Ministry To Reorganize 1 Jul

OW2105083091 Tokyo KYODO in English 0733 GMT 21 May 91

[Text] Tokyo, May 21 KYODO—The Transport Ministry will shortly carry out its first major reorganization in seven years, aimed at enabling it to more efficiently cope with economic frictions with the United States and other external and internal changes, ministry sources said Tuesday.

Authority for the reorganization, to go into effect on July 1, came earlier in the day when a cabinet meeting approved the revision of a government ordinance regulating the ministry's organization.

The revision provides for the establishment of a new high-ranking post tentatively called vice minister for international affairs, who is expected to handle the Japan-U.S. row over construction work on the new international airport in Osaka and Japan's subsidies to shipbuilders under criticism from Washington and other external affairs.

Also planned is a dramatic expansion of the Transport Policy Bureau, which will absorb the tourism department.

The International Transport and Tourism Bureau, the Regional Transport Bureau, and the Cargo Transport and Distribution Bureau will be abolished, replaced by three new bureaus, in charge of railways, road traffic, and marine traffic.

Following the privatization of the former Japanese National Railways, the National Railways Restructuring Promotion Department of the minister's secretariat will also be abolished.

Labor Ministry Plans Foreign Training Program

OW1805154491 Tokyo KYODO in English 0925 GMT 18 May 91

[Text] Tokyo, May 18 KYODO—The Labor Ministry will begin introducing a foreign trainees advisory system for smaller businesses from August 1, ministry officials said Saturday.

The system will help the small companies to accept foreign trainees more smoothly because they often lack sufficient knowledge in culture, language, labor customs, and the know-how for providing vocational training to foreigners, the officials said.

It is also aimed at boosting the internationalization of local industries and the minor enterprises, they said.

Offices will open in the Kanto, Kansai, and Chubu areas with 15 advisers this year, and the ministry is planning to expand it into a nationwide network with branches in Hokkaido and Kyushu as well, they said.

The ministry plan to recruit the advisers from the public, those with two or more years experience in giving vocational training to foreigners overseas.

The advisers will counsel the visitors at the offices or respond to consultations by phone, and will also make a visit to the companies for consultation, the officials said.

They will not charge a fee in principle, except when they have to make a company visit.

The advisers will help the firms in making the training programs and texts, while providing necessary information and know-how. They will also give advice on solving problems that occur during the training, the officials said.

In a move to improve the foreign trainees system, the Labor Ministry, Justice Ministry, Foreign Ministry, and Ministry of International Trade and Industry (MITI), are due to establish a foundation in October.

The foundation will provide assistance and instructions to the companies accepting the trainees.

Labor Ministry officials said they hope to expand the advisory system in cooperation with the foundation.

Committee on Global Environment Established

OW2105093491 Tokyo KYODO in English 0832 GMT 21 May 91

[Text] Tokyo, May 21 KYODO—Gaishi Hiraiwa, head of the Federation of Economic Organizations, urged Japan's newest environmental group Tuesday to step forward with concrete measures to deal with environmental concerns that threaten the world.

Addressing the high-powered committee he was just elected to chair, Hiraiwa said, "looking ahead to solving global warming and other environmental problems, it is extremely important to create a consensus within Japan and advance concrete measures."

Some 150 politicians, business leaders, academics, and environmentalists met Tuesday to launch the Japanese Committee on the Global Environment.

The committee declared that its purpose will be to "promote efforts made by the whole nation and all sectors of the community for the preservation of the global environment, in full alignment with the government's policies."

Kazuo Aichi, director general of the Environment Agency, stressed the role of the committee in leading Japan toward becoming an environmentally aware society, saying it will be the parent organization guiding changes in business practices and people's lifestyles.

The committee said it will produce an international policy proposal for the June 1992 United Nations conference on environment and development.

Former Prime Minister Noboru Takeshita was elected to the group's 10-member board of advisers.

Hiraiwa said he looked forward to the participation of government officials in the work of the committee.

Bank Posts Record Income in FY '90 Latter Half

OW1705095891 Tokyo KYODO in English 0845 GMT 17 May 91

[Text] Tokyo, May 17 KYODO—The Bank of Japan posted a record income for the latter half of fiscal 1990, boosted by high revenue from interest on loans, bills and government bonds, the central bank said Friday.

The bank said its current income for the six-month period ended March 31 hit a record 1,254.9 billion yen, up 13.5 percent or 149.5 billion yen over the first half of fiscal 1990.

Net income, equivalent to pretax profit for private corporations, increased 1,307.8 billion yen to 1,375.1 billion yen, also a new record, the bank said.

Central bank officials attributed the high growth to increased revenue from interest on loans, bills and government bonds, as well as rising interest rates on short-term lending against the background of the tight credit policy.

Revenue from government bonds amounted to 325.2 billion yen, a turnaround from a deficit in the previous half, the officials said.

Tax revenue was estimated at a record 646.8 billion yen, with 170.9 billion yen transferred to the government's coffers, they said.

Corporations Withdraw From Investment Practice

OW1805142191 Tokyo KYODO in English 0825 GMT 18 May 91

[Text] Tokyo, May 18 KYODO—A growing number of major Japanese corporations are withdrawing from the practice of "zaitech," a way of investing surplus funds in stocks or other financial instruments in a profitable but risky money game.

At the height of Japan's bloated "bubble" economy, it was common for corporations flush with surplus funds to engage in zaitech to increase their profits.

With the end of the bubble economy, many companies have said they will refrain from using their funds for such a high risk business.

CSK Corp., a major computer service company, said it will no longer engage in short-term stock trading and instead invest its surplus funds in low-risk, fixed-interest financial instruments such as large-lot time deposits.

The company made huge profits, exceeding its pretax income, by investing its surplus funds in stock trading.

The company said it reduced the amount of its investment in "tokkin" specified money trusts to 9.2 billion yen in the half year ended last March 31 from 34.3 billion yen a year ago.

The company also said it had decreased its investment in securities to 11.9 billion yen from 30.8 billion yen.

The company plans to do away with risky investments as soon as possible, an executive said.

Olympus Optical Co. reported a drop exceeding 4 billion yen in interest received through stock and other financial trading although its operating profits in the year ended March 31 grew 23.1 percent over the preceding year.

Wacoal Corp. and Sasaki Glass Co. have also said they have withdrawn from investment using tokkin money trust accounts with trust banks.

Many other companies said they will shift their emphasis from short-term investments back to their main business.

Overseas Net Assets Rise 11.9 Percent in 1990

OW2105035691 Tokyo KYODO in English 0213 GMT 21 May 91

[Text] Tokyo, May 21 KYODO—Japan's net overseas assets hit a record high of 328,059 million U.S. dollars in 1990, up 11.9 percent from a year earlier, according to a balance sheet submitted Tuesday by Finance Minister Ryutaro Hashimoto to a cabinet meeting.

Japan's net overseas assets—outstanding assets owned overseas by the government, companies, and individuals minus outstanding liabilities—is believed to have stood at the world's highest level in 1990 for the sixth consecutive year since 1985, when Japan first passed Britain to take the No. 1 position, according to the balance sheet.

Finance Ministry officials attributed the record to a sharp increase in direct investment overseas with expansion of local production and a rise in securities investment by institutional investors.

Outstanding assets at the end of 1990 amounted to 1,857,862 million dollars, up 4.9 percent from a year before.

Among contributory factors were direct investment in the private sector, which increased 30.5 percent to 201,441 million dollars, investment in securities such as U.S. Government bonds by institutional investors, which rose 5.6 percent, and financial accounts by banks, which added 2.7 percent, the officials said.

Outstanding debts amounted to 1,529,803 million dollars, up 3.5 percent from a year earlier.

While private-sector securities investment dropped 10.6 percent to 334,523 million dollars because of a downgrading in the value of stocks held by foreign investors in the sluggish Tokyo stock market, collection of middle- and long-term Euroyen impact loans by Japanese firms increased by an amount nearly equivalent to the drop in securities investment, according to the officials.

Active acquisition of Japan's short-term government bonds by foreign central banks, however, pushed the entire debt amount higher, the officials said.

Planning Official Remarks on Growth Policy

OW2005145291 Tokyo KYODO in English 1428 GMT 20 May 91

[Text] Tokyo, May 20 KYODO—Japan, suffering from a labor shortage, cannot "step on the growth accelerator" easily, even if requested by the United States, according to a top government economist.

Yasuo Katsumura, newly appointed vice minister for the Economic Planning Agency (EPA), made the remark in a recent interview with KYODO News Service.

The official said the cooperation of the major economic powers will be needed to solve a global business recession and a shortage of funds.

However, he said major countries now have their own problems, making it nearly impossible for them to take concerted action to increase economic growth.

Katsumura said Japan should study and propose measures to contribute to the world economy before Washington requests actions to be taken.

The following questions and answers were exchanged between KYODO and Katsumura on international cooperation and Japan's business prospects:

Question: With Japan's trade surplus widening and its prices stabilizing, Washington may ask Tokyo to take further steps to expand domestic demand. What is your view?

Answer: The U.S. may make such a request to avoid a worldwide business recession. Even in that case, Japan cannot easily "step on the growth accelerator" right now since it is suffering from a labor shortage. Japan has somewhat more leeway in the choice of monetary policy than either the U.S. or Germany. However, there is no reason why Japan has to shift its monetary policy immediately.

Question: Do you mean that an immediate coordinating of monetary policies among the major economic powers is difficult?

Answer: Yes. Indeed, international cooperation will be needed in preventing a worldwide business recession and settling the problem of fund shortage. However, the U.S., laboring under structural problems, "cannot stir an inch." Germany is facing inflation risks. Other major economic powers are also being faced with their own difficult problems. Policy coordination among the economic powers like the time when they were all in fine shape would be practically impossible. Japan should study and propose by itself measures to contribute to the world economy before being asked by the U.S.

Question: What about domestic business prospects?

Answer: It was earlier feared that the private-sector capital spending might suffer some setback. Contrary to fears, the estimate of such capital spending is apparently being revised upward. Domestic business activity is still in good shape. However, I fear that unfavorable business conditions in the U.S., Britain, and Canada may have an adverse effect on Japan's. No optimism is warranted.

Question: Japan's current business expansion, which entered its 53rd month in April, may outlast the postwar record "Izanagi Boom" which lasted for 57 months from October 1965 to July 1970. What is your opinion?

Answer: If the present business expansion lasts until August, the current boom will be of the same duration as the "Izanagi Boom." If it continues until September, the present prosperity will outlast "Izanagi." I cannot predict definitely that the present expansion phase will last until September. However, judging from the present economic situation, it is not likely that Japan will enter into the recession phase very soon.

Nippon Oil Strikes New Field Off Malaysia

OW1705091591 Tokyo KYODO in English 0757 GMT 17 May 91

[Text] Tokyo, May 17 KYODO—Nippon Oil Co. said Friday it has struck a new oil field off Malaysia with a daily output of 7,000 barrels of crude oil and about one million cubic meters of natural gas.

The company said it plans to sink a few more wells in the area to prepare for commercial production, starting around 1995.

The company said the field is about 70 kilometers off Miri on the northern coast of Kalimantan Island.

Nippon Oil's Malaysian subsidiary has been exploring in the area since 1989, the company said.

Report Released on Economic Expansionary Track

OW2105113691 Tokyo KYODO in English 1038 GMT 21 May 91

[Text] Tokyo, May 21 KYODO—The Japanese economy remains on an expansionary track, although it is growing at a slower rate, the Bank of Japan said in a report released Tuesday.

The central bank's May report on the financial and economic situations in Japan noted the continuation of a severe national labor shortage.

Housing construction and automobile production, meanwhile, are beginning to show signs of a slowdown, the report said.

Bank officials said they are closely watching trends in the two fields, which produced lower figures than earlier estimated.

They said they believe the economy continues expanding because consumer spending has recovered after a slowdown due to the warm winter, while machinery orders, business investment, and public works spending remain on a high level.

On the other hand, industrial production in March fell sharply from a year earlier, officials said.

Housing starts in the month fell to an annual rate of 1.39 million units, the lowest since August 1986, and automakers reduced their production in keeping with their export cuts to the United States, where auto sales are slumping.

Coexistence With Foreign Firms Said Necessary

OW2105085691 Tokyo KYODO in English 0806 GMT 21 May 91

[Text] Tokyo, May 21 KYODO—Japanese companies should find ways to coexist with foreign firms when investing abroad, a research institute backed by Japan's big-four economic organizations said in a report released Tuesday.

The Japan Economic Research Institute (JERI) said it is important that Japanese companies have a philosophy of coexisting with foreign firms at the core of their corporate conduct and not just pursue prosperity for domestic industry.

To further the idea, JERI proposed some specific actions, such as promoting "strategic alliances" of Japanese companies with their European and American counterparts, refraining from a presence that would trigger excessive competition, helping ailing foreign companies, and avoiding investments that would cause problems, such as acquiring symbolic buildings and companies of other countries.

A JERI official noted that forming an alliance does not mean eliminating competition and it should be done within the range of free competition.

JERI, established to study economic and managerial issues on a medium- to long-term basis, concluded that Japan, as one of a few suppliers of funds in the world, ought to support other countries' economies through direct investment.

The nonprofit institute was established in 1962, sponsored by the Federation of Economic Organizations (Keidanren), the Japan Chamber of Commerce and Industry, the Japan Association of Corporate Executives (Keizai Doyukai), and the Japan Foreign Trade Council.

The report mainly focused on frictions arising from increased Japanese investments in developed nations and sought ways to deal with the issue.

According to the Finance Ministry, Japan's direct investment overseas amounted to 67.54 billion dollars in fiscal 1989. Of that, the United States and Canadian investments accounted for 50.2 percent, or 33.90 billion dollars.

Direct investments to European countries including the Soviet Union totaled 14.81 billion dollars, or 21.9 percent. The figures for fiscal 1989 are the latest available ones.

Japanese companies should make investments that would be appreciated in recipient countries, the report suggested. If recipients understand that the investments would benefit local industry in the longer run, fears over Japanese investment would be lessened, the report said.

JERI said it is important that companies localize their operations, notably management, conduct technological transfers, build "good corporate citizenship," and publicize their social and economic contributions. "In international society, silence is not gold, but rather a political suicide," it said.

The report also emphasized the importance of vitalizing industry without leaning on protectionism, promoting government's deregulation, and establishing an organization to settle disputes arising from international investments.

JERI also called for further opening of the Japanese economy, and said that restructuring, physically and psychologically, company headquarters is a vitally important task.

It added that firms should streamline their risk management systems and should be prepared to deal with economic recessions overseas.

Machinery Orders Hit Record 6 Trillion Yen

OW1605141491 Tokyo KYODO in English 1238 GMT 16 May 91

[Text] Tokyo, May 16 KYODO—Industrial machinery orders won by Japanese companies in the fiscal year that ended on March 31 hit a record 6.01 trillion yen, up 10.0 percent from the previous year, an industry association said Thursday.

The Japan Society of Industrial Machinery Manufacturers said increased private-sector investments in labor-saving and efficiency- boosting equipment, intended to meet the labor shortage, raised domestic orders to 4,704.1 billion yen, up 10.6 percent.

Due mainly to increased orders from developing countries for various types of plant equipment, overseas orders posted an 8.0 percent growth to reach 1,305.8 billion yen.

National and local government orders showed a 25.6 percent gain to 827.4 billion yen, due chiefly to increased orders from local governments for refuse incinerators.

Orders from manufacturing industries increased 4.9 percent to 1,948.2 billion yen, while those from all industries except paper and pulp were higher than in the previous year.

The steepest increase of 57.9 percent was registered in the orders for tanks, mainly from the chemical and petrochemical industries.

Chemical machinery orders were up 2.7 percent, due mainly to the start of installation work on ethylene plants, the association said.

Toyota Focuses on Electric Car Production

OW1605121791 Tokyo KYODO in English 1037 GMT 16 May 91

[Text] Tokyo, May 16 KYODO—Toyota Motor Corp., setting its sights on the mass production of electric cars within five to 10 years, has set up a development team with two group member companies, company officials said Thursday.

Automakers and other companies around the world are racing to mass produce battery-powered vehicles amid growing public demand to protect the environment from automobile smog.

The top Japanese automaker sees cooperation with parts makers in the group as essential to bring the performance and cost of electric vehicles up to the level of gasoline-powered cars, the officials said.

The group companies participating in the initial stage of the project will be Daihatsu Motor Co., a major minicar manufacturer known as a pioneer in electric car development, and Toyoda Automatic Loom Works Ltd., which produces battery-powered forklifts.

The key to winning the race to mass produce electric cars is thought to be the creation of small, light batteries with large capacity. The Toyota team's first goal will be increasing the distance an electric car can run on a single battery charge to 300 to 500 kilometers, they said.

Nuclear Power Station Ordered To Replace Parts

OW1705111091 Tokyo NHK General Television Network in Japanese 0300 GMT 15 May 91

[Text] A routine inspection of the No. 1 plant of Kyushu Power Company's Sendai Nuclear Power Station in Kagoshima Prefecture has revealed some damages to 17 of the pipes in its steam generators due to wear and tear. The Ministry of International Trade and Industry [MITI] has subsequently determined that the problems are due to faulty friction-absorbing parts for the pipes and has ordered Kyushu Power Company to replace the parts.

According to reports submitted by Kyushu Power Company to MITI, the company conducted an eddy current measured inspection and found 17 pipes damaged from wear and tear. The three steam generators in the plant have a total of 10,146 pipes.

MITI has determined that friction-absorbing parts designed to prevent the pipes from vibrating have worn out due to friction with the pipes, and has ordered the power company not to use the 17 pipes and replace all friction-absorbing parts with new models.

The Sendai Nuclear Power Station's No. 1 plant has been in a routine inspection since 7 April, and this is the first time that some pipes have been found damaged.

There have been problems before with friction-absorbing parts in steam generators. In February, some pipes in the No. 2 plant of Mihama Nuclear Power Station in Fukui Prefection were found to have completely broken apart as a result of errors made when the friction-absorbing parts were put on. There have been similar problems found in No. 3 and No. 4 plants of Sakahama Nuclear Power Station in Fukui Prefecture and No. 2 plant of Tsuruka Power Station—all resulting from problems with friction-absorbing parts. All these nuclear power stations are now in the process of replacing the parts with new ones.

North Korea

Reportage on North-South Joint Youth Soccer Team

South Arranges Team Dinner

SK2105055991 Pyongyang KCNA in English 0453 GMT 21 May 91

[Text] Seoul May 20 (KCNA)—The south side arranged a dinner for the unified Korea soccer team for the Sixth World Youth Soccer Championships this evening at the Sheraton Hotel, the team's lodging.

All the members of the team were present.

Present on invitation on the North side were Yi Myong-song, vice-chairman of the DPRK Football Association and deputy head of the team, and reporters.

Present on the South side were the "minister of sports and youth and children," and sports officials and personages of different strata.

Team Departs Kimpo for Portugal

SK2105120291 Pyongyang KCNA in English 1050 GMT 21 May 91

[Text] Seoul May 21 (KCNA correspondent)—The unified Korea soccer team today left Kimpo airport for Portugal, the venue of the Sixth World Youth Soccer Championships.

The inaugural ceremony of the unified tea was held at the Sheraton Hotel, its lodging, at ten this morning prior to its departure.

At the ceremony, the inauguration of the unified team was declared, the players were introduced and the flag of the team was awarded to it.

Head of the team Chang Chung-sik (South side) said the formal inauguration of the unified Korea soccer team was a result of the warm support and encouragement of the entire fellow countrymen who desire national reconciliation and peaceful reunification of the country.

Deputy head Yi Myong-song (North side) said the inaugural ceremony of the unified team was a historic moment which would be recorded as an auspicious national festival in the history of the nation, adding: Today the North and the South are unified in table tennis and youth soccer, but tomorrow they should be unified in all other sports events, join the international sports organisations as one member and become unified in all fields.

South Official Meets North Siblings

SK1705053891 Pyongyang KCNA in English 0449 GMT 17 May 91

[Text] Pyongyang May 17 (KCNA)—Yi Chong-hwan who is staying here as an official of the unified Korea soccer team met his younger brothers residing in the northern half of the country at the Pyongyang Koryo Hotel Thursday evening.

His younger brothers Yi Chong-chan, principal of the Pyongyang Utme Senior Middle School, and Yi Chong-kuk, head of the office of Saemaul-tong No. 2, Pyongchon District, Pyongyang, had an emotional meeting with their elder brother and conversed on their 40-year-long separated life.

Yi Chong-hwan, chairman of the Vocational Football Federation in Seoul, expressed his joy at the unexpected meeting with his younger brothers of whom he had heard nothing for so many years, and recalled the past days.

Yi Chong-chan talked about his life, saying he, in the bosom of the great leader President Kim Il-song, graduated from the Mangyongdae Revolutionary School and Kim Il-song University and has devoted himself to the education of the younger generations for 20 years.

He said that he could meet his elder brother thanks to the formation of the unified soccer team, the first of its kind in the history of division, amid the growing fervor for reunification in the North and the South.

Yi Chong-hwan said he wants to meet his nephews and nieces with an early reunification achieved.

They exchanged the feelings of flesh and blood for long hours, recalling the past life of their parents and family members.

They vowed to do their utmost to bring earlier the day of national reunification, talking far into the night and enjoying the joy of meeting.

Dailies View Present Political Situation in South

No's Policy Called 'Ridiculous'

SK1905101791 Pyongyang KCNA in English 0855 GMT 19 May 91

["Dictator Should Quit"—KCNA headline]

[Text] Pyongyang May 19 (KCNA)—No Tae-u was reported by his subsidized media to have mumbled a few days ago that he met the "prime minister" and other leaders of the "Democratic Liberal Party" and what he called "representatives of figures of various strata" and veteran opposition leaders and, on this basis, would decide upon and announce early next week "his policy to cope with the situation" the keynote of which is "whether the present cabinet should resign or not" and "release of political offenders," etc. NODONG SINMUN today in a signed commentary dismisses this as a ridiculous humbuggery aimed at putting down the movement of students and other people of South Korea against dictatorship and for democracy now gaining further momentum following the murder of student Kang Kyong-tae and tiding over the crisis of the fascist rule now shaking to its very foundation. Recalling that No, while mumbling about the handling of the present situation, is utterly heedless to the demand for the ouster of the "Sixth Republic regime," the basic element in its settlement, the news analyst goes on: If the present bloodbath is brought to an end in South Korea, it is necessary to liquidate its root cause the U.S.-installed colonial fascist "regime" of the No Tae-u ruling group and set up an independent democratic government. No was foolish enough to claim that in connection with the murder of Kang such "pro-communist underground organisations" as "Saromaeng" and "Hanminjon" instigated students and workers to rise up in a "popular revolution to overthrow the system" and brand the pro-democracy forces demanding the ouster of the fascist "regime" and democracy as "undemocratic forces." A wolf can never turn into a lamb and a viper is bound to discharge its venom.

The "policy to cope with the situation" on the lips of No can be nothing but a fascist strong arm policy, a policy to crack down upon people. The No ruling group is seeking to save its dictatorial "regime" from its catastrophic crisis by turning South Korea into a more horrible terror-ridden zone and a living hell and more tightly binding the people calling for independence, democracy and reunification hand and foot by a fascist repressive order. This is, however, a forlorn hope. No had better drop his foolish attempt to cheat the enraged people by such a clumsy trick, stop the fascist crackdown upon the democratic forces and step down without delay as demanded by the people.

Increased Force Readiness Viewed

SK2005104091 Pyongyang KCNA in English 1011 GMT 20 May 91

["Desperate Efforts of Murderer"—KCNA headline]

[Text] Pyongyang May 20 (KCNA)—NODONG SINMUN today comments on the fact that the No Tae-u ruling group has placed all the units of the puppet army metropolitan defence command in readiness for action to crack down on the people.

The news analyst says:

This is an irrefutable proof that the South Korean rulers will make no scruple of staging the second Kwangju bloodbath in order to maintain and prolong their toppling dictatorial "regime".

This scheme tells that the No Tae-u rulers are avowed military gangsters and butchers of fellow countrymen and their desperate efforts to maintain power have been carried into extremes.

Even with the mobilisation of the puppet army in suppression the South Korean authorities cannot break the will of the students and people who vowed to dedicate their lives to the struggle for independence, democracy and reunification rather than falling victims to fascism.

Judging from history, it is a stark fact that dictators Syngman Rhee, Pak Chong-hui and Chon Tu-hwan were thrown into the garbage bin of history while brandishing swords at the people regarding them as the enemy.

No's scheme to drive out even the puppet army in the repression of the people shows that he finds himself in a hopeless crisis and his end is near.

No Urged To Step Down

SK2105103391 Pyongyang KCNA in English 1011 GMT 21 May 91

["No Tae-u Fascist Group Must Step Down"—KCNA headlilne]

[Text] Pyongyang May 21 (KCNA)—The No Tae-u fascist group must not make desperate efforts to prolong its remaining days with bayonets, but immediately step down from power as demanded by the people.

This is a topic of a NODONG SINMUN commentary today.

Recalling that people of all walks of life in South Korea including Seoul are courageously turning out in the mass resistance with sorrow at the deaths of patriotic martyrs including Kang Kyong-tae, demanding the punishment of No Tae-u and withdrawal of the U.S. imperialists, the news analyst says:

It is the United States and No Tae-u's "Democratic Liberal Party regime" backed by it that caused the worst crisis of the rule and a powerful massive action of the people for the termination of the "security-oriented rule" and the resignation of the present "regime".

The barbarous murder by fascist violence which is getting more wanton in South Korea today is a product of the U.S. imperialists' policy of aggression to safely maintain South Korea as their colony and military base and a token of the last-ditch efforts of the No Tae-u ruling group to strangle the struggle of the patriotic students and people against the U.S. and fascism and their movement for national reunification which is daily gaining momentum and maintain the treacherous "DLP regime" driven into a crisis.

It is only too natural that the South Korean students and people turn out in the struggle against the "security-oriented rule" and murderous violent policy of the No ruling group going against the trend of the era and desire of the nation. The No ruling group, however, answered this just struggle with atrocious suppression.

It is an anachronistic dream to maintain the power with suppression by bayonet.

The fascist dictator, the chief murderer, going against the trend of the era will face the stern punishment by history.

'Suppression of People' Denounced

SK2105062591 Pyongyang KCNA in English 0554 GMT 21 May 91

[Text] Pyongyang May 21 (KCNA)—No Tae-u at "Chongwadae" on May 18 cried that "dissident and activist forces" were giving rise to "social confusion" with the case of student Kang Kyong-tae as an occasion and threatened that the "forces seeking to overthrow the system" and "leftist forces" would "be severely dealt with" and is scheming to hurl even puppet army troops into the suppression of people.

MINJU CHOSON in a commentary today brands this as the last-ditch efforts of the No Tae-u group to repress and stifle at the point of bayonets the struggle of the South Korean students and people for independence and democracy triggered off by the murder of student Kang and bridge over the fascist ruling crisis.

The responsibility for the present situation created in South Korea entirely rests with the No Tae-u ruling group, the news analyst says, and continues:

No Tae-u openly cried that he would not "examine the resignation of the 'cabinet'", challenging the democratic forces demanding an "immediate resignation of the present 'cabinet'" and answered the demand for an end to the security-oriented rule with the malrevision of the "National Security Law" and the "Police Law" through the "DLP" [Democratic Liberal Party] clan's one-party solo at the "National Assembly".

The No group has also resorted to the "total blockade" and bloody suppression of peaceful rallies and demonstrations, leaving the white bone group intact, and is weaving a plot to bring back to prison the Rev. Mun Ik-hwan in his seventies who is chairman of the funeral committee for the martyr Kang Kyong-tae.

The No ruling group's placement of all the units of the puppet metropolitan defence command in readiness for action shows that it will make no scruple of staging the second Kwangju bloodbath by driving even the puppet army troops into the suppression of people in a bid to maintain and prolong its tottering fascist dictatorial "regime".

Such desperate efforts of the No group only will precipitate its destruction.

Youth Organization Denounces Kang Kyong-tae Death

SK1705102391 Pyongyang KCNA in English 1002 GMT 17 May 91

[Text] Pyongyang May 17 (KCNA)—The World Federation of Democratic Youth issued a statement on May 10 bitterly denouncing the No Tae-u ruling group for brutally killing Kang Kyong-tae of Myongji University in Seoul by beating him with iron pipes in a peaceful demonstration.

The statement branded the murder as an open challenge to the people's desire for democracy and freedom and a grave violation of human rights and democracy.

The murder is not an accident caused by the mistake of a policeman but an inevitable outcome of the anti-popular rule of the South Korean "regime," the statement said, strongly urging the South Korean "Government" to abolish the existing evil laws, disband all the repressive tools and immediately stop the indiscriminate and brutal suppression of the students and people.

Text of Commentary Urging U.S. Nuclear Withdrawal

SK2105111991 Pyongyang KCNA in English 1025 GMT 21 May 91

["'It Is Time for U.S. To Act With Reason'; Commentary of NODONG SINMUN"—KCNA headline]

[Text] Pyongyang May 21 (KCNA)—NODONG SINMUN, the organ of the Central Committee of the Workers' Party of Korea, today carries a signed commentary entitled "It Is Time for U.S. To Act With Reason."

The full text of the commentary reads:

The removal of the danger of nuclear war on the Korean peninsula today stands out as an urgent matter which brooks no further delay for peace and peaceful reunification of Korea and for peace in Asia and the rest of the world.

The DPRK Government, aware of its heavy responsibility and mission for the nation and humanity, has put forward a series of peace overtures including the proposal for denuclearising the Korean peninsula and made efforts to put them into effect and joined the nuclear Non-Proliferation Treaty [NPT], with a view to removing the danger of nuclear war on the Korean peninsula and dispelling the nuclear threat to our people. Despite our sincere efforts, the danger of nuclear war is steadily increasing and the nuclear threat to our people growing day by day on the Korean peninsula. This causes great uneasiness among the entire Korean nation and serious apprehensions among the world's people who cherish justice and peace.

The danger of nuclear war on the Korean peninsula comes from South Korea, not from the North. This is a stark reality that no one can deny. That is why those who impartially follow the situation of the Korean peninsula with a sound thinking power lift up voices for the withdrawal of the U.S. troops and nuclear weapons from South Korea first of all to preserve peace in this part of the world. In this context, foreign news reports recently said U.S.-Soviet secret negotiation on the withdrawal of nuclear weapons from South Korea was under way and this problem was being examined within the United States so as to solve the issue of the signing of the nuclear safeguards accord by the DPRK, drawing the attention of people.

We approach these reports with keen interest. If these reports are true, the United States may be considered to be showing signs of taking a fair stand though belatedly, to remove the danger of nuclear war on the Korean peninsula and settle the problem of signing of the nuclear safeguards accord by the DPRK. This is worth being welcomed by the Korean and the world people.

The danger of nuclear war on the Korean peninsula came into being when the United States began deploying more than 1,000 pieces of nuclear weapons in South Korea where there had been no nuclear arms. The danger has grown with the preparations for a nuclear war against the DPRK stepped up by the United States. If the United States had not deployed nuclear weapons in South Korea and had not resorted to nuclear war moves there, there would have existed no danger of nuclear war on the Korean peninsula and no nuclear threat to the DPRK. The U.S. nuclear weapons deployed in South Korea are the source of the danger of nuclear war on the Korean peninsula and the factor posing a nuclear threat to us.

This being the fact, it is outrageous for the United States to claim that the nuclear weapons in South Korea do not pose a threat to the DPRK.

If the nuclear weapons in South Korea do not pose a threat to us, why does the United States intend to keep them there? If the U.S. did not intend to threaten or attack the DPRK with nuclear weapons, why are they so afraid of making a commitment to nuclear safeguards for the DPRK and so reluctant to decide to withdraw the nuclear weapons from South Korea?

It is self-evident that we cannot sign the Nuclear Safeguards Accord [NSA] as long as the United States keeps nuclear weapons in South Korea and constantly threatens us. In this connection, we would like to ask how the United States would act if they were in our position. As history tells, the United States once raised a hue and cry over the missiles deployed in other's territory, not in its own land, contending that they were posing a threat to the security of the United States. When a nuclear-powered submarine navigated under the coastal waters off the United States in the Pacific, the United States made much ado, alleging that its security was exposed to danger. If any other country had divided the United States into North and South or into East and West, deployed troops and nuclear weapons in one part and constantly staged nuclear war exercises, how the Americans would react to it?

It is not we who are to blame for the delay of our signing the NSA. It is precisely because the United States fails to give commitment to nuclear safeguards for the DPRK and does not take measures to remove nuclear threat to the DPRK. For the United States to keep nuclear weapons in South Korea, threaten the DPRK and increase the danger of nuclear war is a violation of the Non-Proliferation Treaty. It is a rude act devoid of reason for the United States to urge the DPRK to sign the NSA and allow nuclear inspections while failing to fulfill its obligation under the NPT. This unfair act of the United States can never win sympathy from the sober-minded people. If the United States makes a promise to guarantee our safety and takes a measure to remove nuclear threat to us, it might be welcomed by people as a realistic act complying with the demand of the times. That would enable us to sign the NSA with the International Atomic Energy Agency and would contribute to strengthening the nuclear non-proliferation system worldwide and would help the United States save its face as the country with which the NPT is deposited and improve its marred image.

In order to remove the danger of nuclear war and preserve peace on the Korean peninsula, we and the United States must have a direct negotiation.

The unofficial contact between the DPRK and the U.S. is a good thing. But it must be developed on to a due level.

Then, it would be a new sign of a thaw in the frozen relations between the DPRK and the United States and it would be possible to find a solution acceptable to both sides to the problems of our signing the NSA and the removal of nuclear threat to us. The peaceloving people of the world want the United States to act reasonably before it is too late.

U.S. 'Aerial War Exercises' on 17 May Reported

SK1905094691 Pyongyang KCNA in English
0827 GMT 19 May 91

[Text] Pyongyang May 19 (KCNA)—The U.S. Pacific Navy Command staged an aerial war exercise aimed at a surprise attack on the targets in the inland areas of the northern half of Korea in the sky above South Korea on May 17, according to military sources.

Involved there were formations of assault planes, pursuit-assault planes and VTOL [Vertical Take-Off/Landing] assault planes based in Iwakuni and Atsuki, Japan.

On the same day the U.S. Pacific Airforce Command sent F-15, F-4 fighter-bombers and other assault planes, observation planes and reconnaissane planes, more than 250 in all, to the sky above Yongdong, Wonju and Sangdong areas of South Korea for a series of joint aerial and ground offensive exercises.

And the South Korean puppets that day mobilized formations of transport planes with many "commandos" aboard for a parachuting exercise in Yangpyong area aimed at an infiltration into the depths of our side and drove ground units out to the Uijongbu area for a war game.

The number of the warplanes of different types involved in the aerial war exercises on May 17 alone reached more than 600.

Coverage of 'Normalization' Talks With Japan

Talks Open in Beijing 20 May

SK2005110891 Pyongyang KCNA in English 1050 GMT 20 May 91

[Text] Beijing May 20 (KCNA)—The third intergovernmental full-dress talks for the normalization of diplomatic relations between the Democratic People's Republic of Korea and Japan began in Beijing today.

Present at the talks on our side are the members of the DPRK Government delegation headed by Vice-Minister of Foreign Affairs Chon In-chol and on the opposite side are the members of the Japanese Government delegation headed by representative of the Japanese Government Noboru Nakahira.

Japan Urges Nuclear Inspection

OW2005042691 Tokyo KYODO in English 0342 GMT 20 May 91

[Text] Beijing, May 20 KYODO—Japan urged North Korea on Monday to accept international inspection of its nuclear facilities as a precondition for promoting bilateral normalization talks, Japanese officials said.

On the first day of the two countries' third round of normalization talks held at the Japanese Embassy in Beijing, Japan's chief negotiator Noboru Nakahira also pressed North Korea to resume suspended prime ministerial talks between South and North Korea and to comply with a South Korean call for simultaneous and separate United Nations membership for the two Koreas.

At the outset of the talks, Nakahira told Chon In-chol, chief North Korean delegate, that Japan thinks settlement of those issues is indispensable for promoting the negotiations aimed at establishing full diplomatic ties between the two nations, according to the officials.

Nakahira was quoted as saying that the Japanese people, as the world's sole atomic-bombed nation, have a great concern over proliferation of nuclear weapons and that the nuclear nonproliferation treaty should be observed.

North Korea signed the treaty in 1985, but has never allowed a complete outside inspection of the nuclear facilities in Yongbyon, some 90 kilometers north of Pyongyang.

Nakahira expressed Japan's hope that North Korea will apply for separate U.N. membership in line with a South Korean demand, saying participation in the U.N. by North and South Korea will help ease tensions on the Korean peninsula and enhance the universality of the world body.

South Korea said in March it hoped North Korea would drop its objections to separate membership for the two Koreas—which at present only have U.N. observer status—and would submit an application of its own this year. If Pyongyang continued to balk, Seoul said, it would proceed unilaterally.

North Korea maintains that separate U.N. membership for the two Koreas would perpetuate the division of the Korean peninsula and demands the North and South should share a joint U.N. seat.

Nakahira also called on Chon to give information about a Japanese woman who had allegedly trained in North Korea Kim Hyon-hui, a North Korean spy convicted of the 1987 bombing of a Korean Air jetliner.

On Thursday in Seoul, Kim told reporters that she was taught Japanese and how to pose as a Japanese tourist by the woman, whom she knew by the Korean name of Yi Un-he.

Kim quoted the Japanese woman as saying that she was forced to go to North Korea and was taken there aboard a ship that picked her up on the Japanese coast.

Japanese police say the woman identified by Kim is a nightclub hostess who worked in Tokyo's Ikebukuro District before vanishing in 1978. Police believe she was abducted and taken to North Korea.

Japan and North Korea held the first round of the normalization talks in Pyongyang in January and the second round in Tokyo in March in line with a joint declaration issued last September by the (North) Korean Workers' Party, Japan's Liberal Democratic Party and Social Democratic Party, then known as the Japan Socialist Party.

The declaration called on the two governments to set up full diplomatic ties as soon as possible.

Japan Explains Basic Position

OW2105053091 Tokyo NHK General Television Network in Japanese 0300 GMT 21 May 91

[Text] Fundamental problems concerning the normalization of diplomatic relations between Japan and North Korea were discussed today at the third round of Japan-North Korea normalization talks. At the talks, the Japanese expressed anew the intention to hold future normalization talks in such a way that Japan-South Korea relations are not hurt.

The normalization talks began at 1000 this morning in the North Korean Embassy in Beijing. During the morning session, both sides focused discussions on the fundamental problems in the normalization of diplomatic relations between the two countries. Although details of their discussions are not yet available, the Japanese explained their basic position to the North Koreans that Japan would hold future normalization talks in such a way that Japan-South Korea relations were not hurt. At today's talks, both sides are due to exchange views on economic issues and other matters of concern to both Japan and North Korea. The Japanese intend to inquire formally about a Japanese woman named Yi Un-hye who reportedly taught Japanese language to Kim Hyon-hui, a former condemned convict, sentenced for bombing a Korean Airlines plane.

North Hosts Reception

SK2105055791 Pyongyang KCNA in English 0509 GMT 21 May 91

[Text] Beijing May 20 (KCNA)—The Korean Government delegation to the third intergovernmental full-dress talks for the establishment of DPRK-Japan diplomatic relations hosted a reception this evening for the Japanese Government delegation at the DPRK Embassy in Beijing.

Invited to the reception were the members of the Japanese Government delegation headed by Noboru Nakahira, representative of the Japanese Government, Yoshihisa Ara, charge d'affaires ad interim of the Japanese Embassy in Beijing, and Japanese reporters.

The members of the Korean Government delegation led by Vice-Minister of Foreign Affairs Chon In-chol, Charge d'Affaires ad Interim of the DPRK Embassy in Beijing Pae Yong-chae and reporters accompanying the delegation were present.

Words of greetings were exchanged there.

Chon In-chol expressed the belief that the DPRK-Japan talks will continue to make progress through joint efforts and finally reach the destination.

Stating that he was determined to proceed step by step for successful talks, Oboru Nakahira said that he would make active effort to narrow the differences of views.

The reception proceeded in a friendly atmosphere.

Talks Reach a 'Stalemate'

OW2105064491 Tokyo KYODO in English 0632 GMT 21 May 91

[Text] Beijing, May 21 KYODO—Normalization talks between Japan and North Korea have hit a stalemate, with Pyongyang calling for the establishment of relations first, and Tokyo insisting that outstanding issues be resolved at the same time, Japanese officials said Tuesday.

In Tuesday's morning session, Chon In-chol, chief North Korean delegate, repeated the North Korean position that the two sides should first discuss basic issues relating to territorial sovereignty and normalization of diplomatic relations.

Chon also demanded that other issues, such as Japanese compensation to North Korea and the Japanese call for international inspection of North Korean nuclear facilities, be discussed after establishment of diplomatic relations, according to the officials.

Chon added that the negotiations will hit a snag if Japan does not accept the North Korean position.

But chief Japanese negotiator Noboru Nakahira rejected the North Korean arguments, saying all the issues should be discussed at the same time and before normalizing relations.

Tuesday's talks, the second day of the third round of the negotiations, were held at the North Korean Embassy in Beijing. Monday's talks were held at the Japanese Embassy.

After breaking for lunch before noon, the talks were to be resumed around 3:00 P.M.

LSWYK Delegates Visit Former Japanese Premier

SK1105050891 Pyongyang KCNA in English 0450 GMT 11 May 91

[Text] Tokyo May 10 (KNS-KCNA)—Former Japanese Deputy Prime Minister Shin Kanemaru, liberal democratic member of the House of Representatives, when he met with a delegation of the League of Socialist Working Youth of Korea [LSWYK] on May 9, recalled that he was received by the great leader Comrade Kim Il-song during his stay in Korea last year.

I am determined to make all my efforts to improve the relations between Japan and the DPRK at the risk of my life as a politician and work hard to finish the work I have begun, he stressed.

He said he saw the true looks of the Korean people during the 41st World Table Tennis Championships and expressed the hope that Korea would be reunified as soon as possible.

Brisk expansion and development of exchanges between the young people of Japan and the DPRK will greatly contribute to the promotion of the normalization of the diplomatic relations between Japan and the DPRK, he stated.

Delegation Returns Home

SK1905110991 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 16 May 91

[Text] Our country's League of Socialist Working Youth of Korea (LSWYK) delegation led by Choe Yong-hae, chairman of the Central Committee of the LSWYK, which had visited Japan, returned home today by train.

Choe Hyon-tok, vice chairman of the Central Committee of the LSWYK; and other functionaries concerned were on hand to welcome the delegation at the Pyongyang Train Station.

Kim Pok-sin Meets Uzbek Light Industry Delegation

SK2005062791 Pyongyang KCNA in English 0550 GMT 20 May 91

[Text] Pyongyang May 20 (KCNA)—Vice-Premier Kim Pok-sin Sunday met and had a friendly talk at the Mansudae Assembly Hall with the visiting delegation of the Ministry of Light Industry of the Uzbek Soviet Socialist Republic of the USSR led by Vice-Minister S.S. Maksudov.

Cooperation Agreement Reached With RSFSR

SK2005155491 Pyongyang KCNA in English 1528 GMT 20 May 91

[Text] Pyongyang May 20 (KCNA)—An agreement on the establishment of the Joint Commission of Trade and Economic Cooperation between the governments of the Democratic People's Republic of Korea and the Russian Soviet Federal Socialist Republic was signed here today.

It was signed on our side by Kim Chong-u, vice-minister of external economic affairs, and on the opposite side by V.A Mangadeev, vice-minister of foreign economic relations of the Russian Soviet Federal Socialist Republic.

Reunification Mentioned in Sino-Soviet Communique

SK2105051091 Pyongyang KCNA in English 0450 GMT 21 May 91

[Text] Beijing May 20 (KCNA)—A Sino-Soviet joint communique which was released in Moscow on May 19 on the conclusion of an official visit to the Soviet Union by Comrade Jiang Zemin, general secretary of the Central Committee of the Communist Party of China and chairman of the Central Military Commission of the People's Republic of China, favoured the cause of a peaceful reunification of Korea, according to a report.

The communique says:

China and the Soviet Union hold that relaxation of the situation on the Korean peninsula is of great importance to the security and stability in Northeast Asia. Both sides welcome the positive changes that have recently taken place on the peninsula, reaffirm their support for the realization of a peaceful reunification of Korea through dialogue and consultations between the North and South. They express the hope that the North and South will continue their dialogue for further improvement of mutual relations, and call for all the parties concerned to refrain from taking any acts that might impede detente on the peninsula and a peaceful reunification of Korea.

NODONG SINMUN Delegation Meets Li Ximing

SK1905110791 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 16 May 91

[Text] Comrade Li Ximing, member of the Political Bureau of the CPC Central Committee and secretary of the Beijing Municipal Party Committee, met with the NODONG SINMUN delegation led by (Paek Tong-kyu), deputy editor-in-chief of NODONG SINMUN, which is visiting China, at the Great Hall of the People in Beijing today.

Gao Di, director of the PRC's RENMIN RIBAO, and Pae Yong-chae, our country's charge d'affaires ad interim to China, were on hand.

Talks were held amid a friendly atmosphere at the meeting.

Chinese, Cuban Delegations Arrive for Visit

SK2105003991 Pyongyang KCNA in English 1530 GMT 20 May 91

[Text] Pyongyang May 20 (KCNA)—A delegation of the General Federation of Trade Unions of Korea headed by chaiman of its Central Committee Won Tong-ku left here today by train for a visit to China.

A delegation of the Supreme Procurator of Cuba headed by its Attorney General Ramon de la Cruz Ochoa, and a delegation of the Federation of Literary and Art Circles of China headed by Xu Xiaobing, member of the national committee of the Chinese People's Political Consultative Conference and vice-chairman of the Chinese Cameramen's Society, arrived here on the same day.

Cuban Ambassador, Embassy Staffers Help Farm Work

SK2105053791 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 17 May 91

[Text] Juan Jose Leon Vega, Cuban ambassador to our country, and Cuban Embassy staffers today helped farm work at the Korean-Cuban Friendship Stock Farm where Comrade Yi Chu-pong works. The participants in the farm work at the stock farm further deepened the feelings of friendship, singing songs of the two countries of Korea and Cuba during a break.

Kim Yong-sun Talks With Nicaraguan Ambassador

SK1705050391 Pyongyang KCNA in English 0422 GMT 17 May 91

[Text] Pyongyang May 17 (KCNA)—Kim Yong-sun, secretary of the Central Committee of the Workers' Party of Korea, Thursday met and had a conversation with Ivan Ariel Mejia Solis, newly-appointed Nicaraguan ambassador to Korea, who paid a courtesy call on him.

Present there was Kim Hyong-u, vice-director of a department of the WPK Central Committee.

Coverage of Nigerian Military Delegation Visit

O Chin-u Meets Delegation

SK2105003791 Pyongyang KCNA in English 1524 GMT 20 May 91

[Text] Pyongyang May 20 (KCNA)—O Chin-u, minister of People's Armed Forces, on May 20 met and had a friendly conversation with the government military delegation of Nigeria headed by Gen. Sani Abacha, member of the Armed Forces Ruling Council, minister of defence and chief of staff of defence, who paid a courtesy call on him.

On hand were general of the Korean People's Army Kim Kwang-chin, other generals and officers and Nigerian Ambassador to Korea Olugbenga Ayodeji Ashiru.

'Friendly' Talks Held

SK2105115591 Pyongyang KCNA in English 1048 GMT 21 May 91

[Text] Pyongyang May 21 (KCNA)—Talks between the government military delegations of the Democratic People's Republic of Korea and the Federal Republic of Nigeria was [as received] held here today.

Present at the talks on the DPRK side were O Chin-u, minister of People's Armed Forces; General Kim Kwang-chin and other generals and officers of the Korean People's Army and on the Nigerian side were the members of the delegation headed by Gen. Sani Abacha, member of the Armed Forces Ruling Council, minister of defence and chief of staff of defence, and Nigerian Ambassador to Korea Olugbenga Ayodeji Ashiru.

The talks proceeded in a friendly atmosphere.

O Chin-u Speaks at Reception

SK2105060091 Pyongyang KCNA in English 0512 GMT 21 May 91

[Text] Pyongyang May 21 (KCNA)—The Ministry of People's Armed Forces Monday gave a reception in honor of the government military delegation of the Federal Republic of Nigeria on an official goodwill visit to Korea.

O Chin-u, minister of People's Armed Forces, in his speech at the reception, said that the delegation's visit to Korea will contribute to the development of friendly relations between the DPRK and Nigeria.

The DPRK and Nigeria are both member nations of the Nonaligned Movement, the peoples of the two countries have understood each other and supported and cooperated with each other for the commonness of their past lot and the purpose of their present-day efforts for building a new life, he noted, and continued:

The Nigerian people under the leadership of respected President Ibrahim B. Babangida have registered many successes in the work for achieving social stability and national unity and increasing the defence capacities of the nation upholding the slogan of economic reconstruction, social justice and self-reliance.

We will accomplish without fail the historic cause of national reunification by means of founding a democratic confederal republic of Koryo on the three principles of independence, peaceful reunification and great national unity with the active support of the world peaceloving people including the Nigerian people, he declared.

Head of the Nigerian Government military delegation Gen. Sani Abacha, member of the Armed Forces Ruling Council, minister of defence and chief of defence staff, spoke next.

He said:

I am convinced that after this visit, our bilateral relations will enter a new era of friendship and cooperation.

I believe that the future of Nigerian and Democratic People's Republic of Korea's relations will be bright.

He expressed the hope to learn from the long and tested experience in military techniques and proficiency of the Korean Armed Forces founded on the immortal ideas of the illustrious great leader Marshal Kim Il-song.

The Federal Government of Nigeria welcomes all sincere efforts for the elimination of all forms of military confrontation on the Korean peninsula and the realisation of the Korean people's desire for the reunification of their country through peaceful and constructive dialogue, he said.

Coverage of Equatorial Guinea Delegation Visit

Kim Yong-nam Speaks at Banquet

SK2005044391 Pyongyang Korean Central Broadcasting Network in Korean 2300 GMT 17 May 91

[Text of speech delivered by Vice Premier and Foreign Minister Kim Yong-nam at a banquet for the special envoy of the president of the Republic of Equatorial Guinea, at Chongnyu Restaurant on 17 May—read by announcer]

[Text] First of all, availing myself of this banquet and sharing the pleasure of meeting the friends of Equatorial Guinea, I once again wholeheartedly welcome our country's visit of Your Excellency Santiago Eneme Ovono, delegate minister of the Ministry of Foreign Affairs and Cooperation, who is a special envoy of the president of the Republic of Equatorial Guinea, and his companion.

The DPRK and Equatorial Guinea have forged traditional friendly ties in the single road of struggling to construct a new society, and have constantly developed them in keeping with the common interests of the people of the two countries.

In particular, the historic meeting between the great leader Comrade Kim Il-song and the respected His Excellency Obiang Nguema Mbasogo, which was held in Pyongyang in August 1984, has become a special important occasion in developing the friendly and cooperative relations between the two countries.

No doubt, we believe that the friendly and cooperative relations between the people of the two countries, which are prospering and developing as days go by, will be further consolidated and developed in accordance with the idea of independence, peace, and friendship.

Today, the Equatorial Guinean people, under the right leadership of the respected His Excellency Obiang Nguema Mbasogo, have firmly maintained independence in the face of the current complicated international situation. In addition, they have brilliantly settled the issues arising in building the party and a new society in accordance with the national specific situation and with the interests of its people.

Proceeding from a common idea and purpose, we regard it as our noble duty to support and encourage your just cause. In addition, we sincerely wish your people a greater success in their struggle to construct a more brilliant Equatorial Guinea.

Today, in a single-hearted unity around the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il, our people are bringing into full play the socialist superiority of our own unique style and are vigorously struggling to expedite the reunification of the country.

Trying to tear down the barrier of division and to realize the reunification of the country within the 1990's is the unanimous will of our people.

Our people will smash the moves of the splittist forces at home and abroad with the united forces of the nation, and will realize without fail the national reunification by means of a confederation system based on one nation and one state, two systems and two governments.

Availing ourselves of this opportunity, we deeply express gratitude to the Equatorial Guinean party, Government, and people who have sincerely supported our socialist construction and the cause of national reunification.

In conclusion, believing that Your Excellency delegate minister's visit to our country will make a great contribution to further developing friendly and cooperative relations between the two countries, I propose a toast to the eternal friendship and unity of the people of the two countries of the DPRK and Equatorial Guinea; to the long life and good health of the respected His Excellency President Obiang Nguema Mbasogo; to the long life and good health of the great leader Comrade Kim Il-song; to the long life and good health of the dear leader Comrade Kim Chong-il; and to the good health of the respected Your Excellency Santiago Eneme Ovono and the good health of the Equatorial Guinean guests present here and other comrades.

Kim Yong-nam Meets Delegation

SK1805105191 Pyongyang KCNA in English 1030 GMT 18 May 91

[Text] Pyongyang May 18 (KCNA)—Talks was held between Kim Yong-nam, vice-premier and foreign minister, and Santiago Eneme Ovono, delegate minister of the Ministry of Foreign Affairs and Cooperation who is a special envoy of the Equatorial Guinean president, at the Mansudae Assembly Hall today.

At the talks they stressed the need to further develop the friendly and cooperative relations between the two countries and exchanged views on a series of matters of common concern.

It proceeded in a friendly atmosphere.

Kim Il-song Meets Delegation

SK1805111991 Pyongyang KCNA in English 1021 GMT 18 May 91

[Text] Pyongyang May 18 (KCNA)—The great leader President Kim Il-song on May 18 received Santiago Eneme Ovono, delegate minister of the Ministry of Foreign Affairs and Cooperation, who is a special envoy of the president of the Republic of Equatorial Guinea, and his companions on a visit to Korea.

Present there was Vice-Premier and Foreign Minister Kim Yong-nam.

The special envoy presented to President Kim Il-song a personal letter and a gift of Obiang Nguema Mbasogo, president of the Republic of Equatorial Guinea.

President Kim Il-song expressed thanks for this and had a conversation with the guests in a warm and friendly admosphere.

Coverage of Mauritanian Delegation Visit

Kim Yong-nam Meets Delegation

SK2105003291 Pyongyang KCNA in English 1526 GMT 20 May 91

[Text] Pyongyang May 20 (KCNA)—Talks between the government delegations of the DPRK and Mauritania were held at the Mansudae Assembly Hall on May 20.

Present on our side were Vice-Premier and Foreign Minister Kim Yong-nam, and other officials concerned and on the opposite side were members of the delegation headed by Hasni Ould Didi, minister of foreign affairs and cooperation.

The sides informed each other of international situation and the situation of their countries and exchanged views on a series of matters of common concern.

Kim Yong-nam Hosts Reception

SK2105060191 Pyongyang KCNA in English 0519 GMT 21 May 91

[Text] Pyongyang May 21 (KCNA)—The Government of the Democratic People's Republic of Korea hosted a reception at the Ognyu Restaurant Monday in honor of the government delegation of the Islamic Republic of Mauritania led by Hasni Ould Didi, minister of foreign affairs and cooperation, on an official goodwill visit to Korea.

In his speech Vice-Premier and Foreign Minister Kim Yong-nam said the peoples of Korea and Mauritania are closely linked together by their common purpose of anti-imperialist independence and non-alignment and these relations are favourably developing day by day. We will make every possible effort to expand and develop these relations, he said, and continued.

Today, the Mauritanian people are vigorously striving to realize social stability based on the unity of the entire people and build a modernized Mauritania under the guidance of respected Colonel Maaouya Ould Sid'Ahmed Taya.

Kim Yong-nam expressed support to the Mauritanian people's endeavours for defence of the principle of Non-aligned Movement (NAM) and unity of the peoples of the countries in the Arab Magreb Region.

Head of the delegation Hasni Ould Didi in his speech said: The relations between the two countries have a long history and the visit of the great leader of your country President Kim Il-song to Mauritania left an unforgettable memory to the Mauritanian people.

Korea and Mauritania, both NAM member states, are striving to build a good world free from domination and subjugation by anybody, he stressed.

The head of the delegation supported the just struggle of Korean people to achieve the reunification of the country.

The idea put forward by the great leader President Kim Il-song for the strengthening and development of NAM is the most correct guiding theory in the present time, he stressed.

Kim Il-song Sends Message to Cameroon President

SK1905095191 Pyongyang KCNA in English 0834 GMT 19 May 91

[Text] Pyongyang May 19 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea sent a message of greetings on May 18 to Paul Biya, president of the Republic of Cameroon, on the occasion of the national day of Cameroon.

Wishing the Cameroonian people fresh success in their endeavours for national unity, the stability of the country and economic development under the leadership of President Paul Biya, President Kim Il-song expressed the belief in his message that the friendly and cooperative relations between the two countries will grow stronger.

Kim Yong-nam Sends Greetings to Icelandic Minister

SK2005041791 Pyongyang KCNA in English 0357 GMT 20 May 91

[Text] Pyongyang May 20 (KCNA)—Foreign Minister Kim Yong-nam sent a message of greetings to Jon Baldvin Hannibalsson on his reappointment as foreign minister of the Republic of Iceland.

In the message Kim Yong-nam wishes him success in his responsible work.

South Korea

DLP Measures To Calm 'Political Turbulence'

SK2105013391 Seoul YONHAP in English 0113 GMT 21 May 91

[Text] Seoul, May 21 (YONHAP)—The government and the ruling party have got down to working out a package of measures to calm the political turbulence over the police killing of a student, but the scope and timing of the much-touted cabinet reshuffle remain a major stumbling block.

President No Tae-u, who also heads the ruling Democratic Liberal Party [DLP], and his staff remain reluctant to replace the cabinet, an essential part of the package, but many key DLP officials maintain that a reshuffle is essential to stabilize the tumultuous situation.

"President No himself has not yet made up his mind to shuffle the cabinet. We haven't yet started deliberation on the scope and timing of the reshuffle," a highly-placed government official said , hinting that the replacement of cabinet ministers widely expected for late this week could be postponed.

The president believes the cabinet reshuffle should be weighed cautiously, the official said.

DLP officials said an early reshuffle was the key to shifting the political focus from anti-government protests to next month's local elections.

An amnesty will be announced Friday for people convicted under the National Security Law after it is approved by the cabinet on the same day. Also under consideration are measures to curb speculation and ease the housing shortage, the officials said.

One of the officials forecast, however, that there would be no dramatic change in the government's economic policies.

"We know the people are quite discontent with the price hikes and housing shortage, but consumer and real estate prices show signs of stabilizing in the second quarter," the official said.

DLP Executive Chairman Kim Yong-sam, who is reportedly urging No to conduct a cabinet reshuffle as soon as possible, said in a meeting with 10 university presidents in Seoul on Monday that the government and ruling party were capable of managing the current crisis.

"A few signs of solving the current problems will appear this week," Kim said.

Kim Yong-sam Denies Party-Government 'Split'

SK1905012891 Seoul THE KOREA TIMES in English 19 May 91 p 2

[From the "Press Pocket" column]

[Text] Kim Yong-sam, executive chairman of the ruling Democratic Liberal Party, tried to put an end to talk that there is a split between the party and the government regarding the fate of Prime Minister No Chae-pong and the cabinet.

In a meeting with reporters at his home in Sangdo-dong in southern Seoul shortly after he had met President No Tae-u he stressed no split exists.

He was learned to have exchanged views on the reshuffle and other measures to cope with the political crisis in the regular weekly meeting with the President.

Upon being informed of Kim's remark, a lawmaker of the "minjongkye" faction led by the President expressed his displeasure saying it is nonsense for Kim to say so when the lawmakers of "minjukye" faction led by him had voiced the need for a cabinet reshuffle, defying the President's resolve not to conduct any changes.

It seems that he was told about an impending reshuffle judging from such a remark, he scorned.

Meanwhile, the three top leaders of the party met yesterday to discuss current issues.

They were learned to have decided to follow the President's decision regarding the reshuffle and other actions to solve the crisis, shelving their own demands for the time being.

Emerging from the meeting, co-chairman Kim Chong-pil said the ruling camp is preparing steps to end the crisis. But no one should expect too much in a short time.

Now is the time all people in every sector return to their jobs and work in earnest, he added.

Sin Kyong-sik Named DLP Head's Chief Secretary

SK2005054491 Seoul YONHAP in English 0534 GMT 20 May 91

[Text] Seoul, May 20 (YONHAP)—Rep. Sin Kyong-sik was named chief secretary of Kim Yong-sam, executive chairman of the ruling Democratic Liberal Party [DLP].

The appointment of Rep. Sin, a member of now defunct Democratic Justice Party [DJP] that forms largest faction of the DLP, was reportedly decided during the meeting between President No Tae-u, who is head of the ruling party, and Kim Yong-sam on May 17 in an effort to beef up intra-party unity.

The ruling party was created in 1990 by merge between the DJP and Kim Yong-sam's Reunification Democratic Party and Kim Chong-pil's New Democratic Republican Party.

Party Spokesman Pak Hui-tae said that appointment of Sin to the post was "fully discussed" between President No and Party Chairman Kim.

Sin, a former journalist, was chief secretary of National Assembly speaker in 1978, and has served as vice floor leader of the party.

Kim Tae-chung Offers Measures To Solve Crisis

SK2105054591 Seoul YONHAP in English 0528 GMT 21 May 91

[Text] Seoul, May 21 (YONHAP)—Opposition leader Kim Tae-chung called on President No Tae-u to "make a resolute decision" to solve the current crisis Tuesday.

It was possible for the government to resolve the crisis only by guaranteeing the dissolution of the plainclothes riot police, the right to demonstrate peacefully by revising the demonstration and assembly law, a full-scale release of political prisoners and fair elections as follow-up measures to a cabinet reshuffle that included replacement of the prime minister, Kim told reporters gathered at his home.

"At this time in particular, President No Tae-u should display his firm will to terminate security-oriented rule," said the president of the New Democratic Party [NDP].

"NDP rallies, slated for Seoul and Pusan on May 25 and June 1, respectively, are to achieve the end of security-oriented rule, stability of life, renunciation of the parliamentary cabinet system of government and formation of a broadly supported cabinet."

Insisting that No could refuse to form a new cabinet but had no right to reject renunciation of the parliamentary cabinet system of government, Kim called on No to declare before the people that he would not to push for a constitutional amendment to impose a cabinet system during his tenure.

"The new prime minister appointed by No should not only have a resolute will for democratization, but also make ardent efforts to solve civic life-related issues such as inflation, traffic jams and environmental problems," Kim said.

Negatively evaluating the top candidates for prime minister mentioned recently as "below the people's expectations," Kim said the new premier and his cabinet should be leading figures with social experience as professionals may lack a balanced viewpoint.

NDP Reaffirms 'Tough Strategy' Against No Tae-u

SK1805000691 Seoul THE KOREA TIMES in English 18 May 91 p 2

[By staff reporter Kim Chang-yong]

[Text] The New Democratic Party [NDP] yesterday reaffirmed its tough strategy against the No Tae-u administration but its eye largely seems cast on large-district council elections, scheduled for next month.

In a meeting of leadership chaired by president Kim Tae-chung, the party resolved to declare "strong countermeasures" in a mass rally in Taejon tomorrow unless No dismisses Prime Minister No Chae-pong for his political responsibility for a police killing of a fleeing student protester on April 26.

"Our party judged that it would become harder to settle the current crisis should President No retain the prime minister. President No should form a new cabinet with democratic figures instantly," NDP spokesman Pak Sang-chon told reporters after the meeting.

The spokesman did not rule out the possibility that the largest opposition party might call for the overthrow of the No administration in the Taejon rally in case of No's stay as prime minister.

He, however, added that if No sacked the prime minister the largest opposition party would regard it as a "tangible" step to abandon what it describes as politicking by intelligence agencies.

Kim Tae-chung foresaw that No would be forced to quit eventually and dissuaded vice presidents from going further to radicalism.

The NDP president, a life-long oppositionist backed by dissidents and people in his home province of Cholla and Kwangju city, has been driven to join in a memorial service for the student victim but has not sided with hard-liners shouting for No's fall.

Since the birth of the NDP early last month through a merger with his Party for Peace and Democracy and a relatively moderate, senior dissident group, he has carried out a package of adroit schemes to soften his aggressive image and create compromising lines of the new party in a bid to woo the middle class.

A regional appeal and support by dissident forces has enabled him to enjoy a formidable support but it accounts for less than 20 percent of the electorate, too low for his presidential ambitions.

Kim, who had claimed that the ballot counting of the Dec. 16, 1987 presidential vote was "manipulated by computers" and it should be nullified, has recently advocated No's leadership by saying that he was popularly elected. No's five-year single term has less than two years to go.

The NDP is solely focusing on the ouster of Prime Minister No whom it deems one of potential presidential candidates to compete with him in the next election, due between December next year and January in 1993.

It appears that Kim regards No as stronger and tougher competitor than ruling party chairman Kim Yong-sam, his longtime collaborator for democratic reforms and now bitter rival in the different political array, and any other notable politicians in the DLP [Democratic Liberal Party.

If the 55-year-old number two man in the administrative hierarchy, who had served as presidential political advisor and chief secretary till last year-end, became No's handpicked government party runner, an emerging move to replace government leaders with young generation will spread wide, NDP strategists feared.

Another cause for the NDP's call for No's resignation is that the sway of politics by intelligence agencies has been started with his assuming the top cabinet post.

No himself confessed in a freewheeling debate with journalists last Friday that some of scandals involving ruling and opposition party lawmakers, which the NDP cited as examples of politicking by the law enforcement authorities, were detected by his order.

Moreover, he is an unwavering advocate of a cabinet government system, which both Kim Tae-chung and Kim Yong-sam, executive chairman of the Democratic Liberal Party, oppose desperately in the belief that it would prolong the rule of No's faction and therefore reduce their chance for power.

"All the struggles will be barely confined to defaming the ruling camp as its poor popularity will give us reflexive scores in the coming June local council elections. We do not aim at foundering the No administration itself into the critical corner. Its pinch is not necessarily our benefit," one NDP insider said.

If the administration were brought to hardship, dissidents would get louder say outside the political scene, shrinking the foothold of the NDP, an established political group, as well as the government party.

Hard-line NDP officials are displeased with Kim's turnaround of political orientation which they said would risk the party its previous firm support in the Cholla region and low-income bracket.

In their viewpoint, the fatal beating of the student by police took place before the NDP found new supporters in southeastern areas and the middle-class and may do disservice to the "central-progressive" party in the coming elections.

Citizens Group Urges Political, Economic Reform

SK1905010391 Seoul THE KOREA TIMES in English 19 May 91 p 8

[Text] A progressive economic organization yesterday called for sweeping political and economic reforms to tide over the current social crisis.

The Citizens Coalition for Economic Justice said that a reshuffle of the cabinet led by Prime Minister No Chaepong is not enough to tackle the present social unrest.

It asked the government to carry out a wide range of substantial steps to realize political democratization and economic innovation.

In its statement in connection with the present social upheaval, the coalition insisted that the government should renounce the economic growth policy benefiting only business conglomerates. It also called for the implementation of the real name financial transaction system as soon as possible and the eradication of speculative investment in real estate.

It said that collusion between political power and large business groups should come to an end with the early implementation of a real name financial transaction system.

The coalition also said that the government should abolish the preferential treatment of land possessed by business groups in a bid to ferret out speculative investment in real estate.

In the meantime, it called for the revision of the security law, police law, assembly law and other laws which were recently railroaded through the National Assembly by the ruling party.

With the revision of those laws, the coalition said that political democratization would be realized as soon as possible.

It demanded that expelled teachers and workers should be reinstated along with political and economic renovation.

Among its other demands were the removal of tax inequality and the stabilization of housing for workers along with an increase in their real income.

The coalition maintained that current social instability has resulted from a deep conflict between workers and those making money from other than accepted means.

To remove such a conflict, it emphasized that the head of state should have a strong will and determination to reform the social order.

It argued that workers have been forced to demand high wages because of the failure of the government's housing and price policies.

The economic organization, composed of reformists, called upon the government to carry out practical measures on a short and long-term basis in order to stabilize housing and increase income for workers instead of controlling their wage hikes.

University Presidents Urge 'Democratization'

SK2105025491 Seoul YONHAP in English 0202 GMT 21 May 91

[Text] Seoul, May 21 (YONHAP)—Cho Wan-kyu, president of Seoul National University, and nine other university heads called on the ruling party and government Monday to push steadily forward with political and economic democratization through improved distribution of wealth to resolve the current political unrest.

Meeting with Democratic Liberal Party [DLP] Executive Chairman Kim Yong-sam in the 63 Building in Yoido, they advised the DLP and government to return to the spirit of the June 29, 1987, declaration of President No Tae-u, who at the time was the presidential nominee of the Democratic Justice Party, and get back to political and economic democratization, according to DLP Chief Policy-Maker Na Ung-pae, who also attended the meeting.

To solve the current political crisis, the 10 presidents recommended the government be flexible and rational, warning against a hard-line policy of strong law enforcement.

Claiming that the DLP was creating anxiety among the public by exposing its internal feuding, one of the participants said: "it should, in a united manner, consistently push for its policy after carefully deciding it."

The current unrest could partly be attributed to uncertainty over the political future, they said, urging the DLP to adopt predictable, future-oriented politics.

"We are now faced with a general crisis in all sections of our society as well as politics and the economy. The credibility of the political establishment is below 20 percent, which directly indicates how distrusted our politicians are," Songgyungwan University President Chang Ul-pyong said.

"It is impossible for security-oriented rule to overcome the current crisis, and therefore the government should faithfully push for democratization, returning to the June 29 spirit," he said.

The presidents also asked the government to guarantee the independence of universities and increase its subsidization of universities, Na said.

PRC Reportedly To Support South's UN Entry

SK2105013691 Seoul YONHAP in English 0124 GMT 21 May 91

[Text] Seoul, May 21 (YONHAP)—China will support South Korean membership of the United Nations and open full diplomatic relations with South Korea sooner or later, former North Korean Vice Foreign Minister Pak Kil-yong said Monday.

Pak, a researcher at the Soviet Academy of Sciences' Institute of Oriental Studies, was vice foreign minister between 1956 and 1960, when he defected to the Soviet Union.

He told a seminar in Seoul, sponsored by Kyongnam University, that despite the objections of North Korean leader Kim Il-song, China had no choice but to eventually recognize South Korea.

China and North Korea appeared to have close relations, he said, with Beijing backing Pyongyang's foreign policy and objecting to Seoul's call for simultaneous but separate U.N. entry by the Koreas.

In reality, though, China tilted toward South Korea and would recognize Seoul and normalize diplomatic relations in the near future, he forecast.

Pak was North Korean ambassador to Czechoslovakia in 1953 and to East Germany in 1954-1955. He was granted political asylum in the Soviet Union 1960.

U.S. Urged To Support Inter-Korean Rice Trade

SK1805001091 Seoul THE KOREA TIMES in English 18 May 91 p 6

[Editorial: "Delay in Rice Shipment to North Korea"]

[Text] We are disappointed at the delay in shipment of South Korean rice to North Korea in the first direct inter-Korean trade, due to Pyongyang's unreasonable attitude, and dismayed by talk that the United States is applying the brake to the rice deal.

With the government approval on April 12, the first shipment of 5,000 tons of rice was due to be completed by May 7 in barter trade for North Korean coal and cement.

But a freighter has been lying in Mokpo Harbor waiting to load the 5,000 tons of rice since May 6, due to a failure by the North Korean side to give the go-ahead to the deal. Among the several reasons, which have been monitored through informal channels, for Pyongyang's refusal to accept the rice shipment is an unreasonable request to lower the rice price from the contracted $350 per ton to $170, a level lower than half of the current international market quotations, according to government officials. The $350 price, which is in the neighborhood of the prevailing international level, accounts for only about one-fifth of South Korea's average domestic market price.

The North also demands that the South not launch any political propaganda about the rice exports to the North but draw up a timetable for the shipment of an additional 100,000 tons of rice to it.

Government authorities have denied as groundless the allegation that the U.S. is hindering the barter trade, ascribing the delayed shipment to the North Korean side.

However, there have been news reports from the U.S. that an American rice millers' association is strongly against the direct inter-Korean trade of rice, demanding that Washington intervene in the matter.

Meanwhile, local reports have it that the cabinet ministers concerned early this week met and discussed the delay.

The direct rice export to the North is a particularly symbolic item to open inter-Korean trade and improve relations between the two halves of the divided country, as rice, the staple foodgrain, is emotionally the most sensitive daily necessity for the Korean people.

Our government is urged to clarify its position about the rice export to the North and also dissipate the widespread speculation that the U.S. side is preventing the inter-Korean rice deal from going ahead.

At the same time, the U.S. is called upon to realize the great impact a failure in the inter-Korean rice deal, if it were due to hindrance by the U.S., would have on the Korean people and the fuel that would be added to anti-American sentiment among dissidents, in particular.

The rice export to the North has a deep economic and political significance in the promotion of inter-Korean exchanges. No doubt, the inter-Korean rice deal, a kind of internal deal, does not constitute a breach of international rules and in particular regulations on the disposal of surplus farm products of the FAO (Food and Agriculture Organization of the United Nations) and the rules of GATT (General Agreement on Tariffs and Trade).

Under these international rules, a country has to get prior consultations with rice exporter countries when it seeks to export, aid freely or loan out for a long term 1,000 tons of rice or more, while a country faces legal action if it trades agricultural products below world market prices.

Inter-Korean trade must be regarded as internal dealing as inter-German trade was before the German reunification. To this end, our government is asked to explain this, referring to domestic provisions stipulated in the Constitution and the law for the promotion of inter-Korean exchanges and cooperation. In addition, the government is called upon to emphasize that inter-Korean trade is vital to paving the way for eventual reunification of the two Koreas.

In this context, Washington is counseled to understand and help facilitate inter-Korean trade, which will ease tension on the Korean peninsula, rather than hinder it to protect the interests of an industrial group in the United States.

Import Restriction of North's Ore Products Urged

SK1705020891 Seoul CHOSON ILBO in Korean 17 May 91 p 2

[Text] Fearing unrestricted imports of such automatically-approved items as gold, silver, kaolin, and 15 self-sufficient mineral products from North Korea, the Ministry of Energy and Resources recently requested the Unification Board—the office in charge of North-South trade—to restrict their imports to a certain degree. Such a request was made in accordance with the recommendation from business circles that if North Korea's duty-free mineral products are brought into South Korea without any restriction, business activities of domestic producers will shrink as a result.

Government To Lift Ban on North's Publications

SK1805055491 Seoul YONHAP in English 0525 GMT 18 May 91

[Text] Seoul, May 18 (OANA-YONHAP)—In a follow-up to revision of the National Security Law, the South Korean Government will fully liberalize North Korean books, newspapers and films in three stages.

The government will lift a ban on nonpolitical North Korean publications and films and on data from communist countries first, then on items that support the North Korean political system and finally on all North Korean books and records.

As a start, the government, which allows access to North Korean data on a limited basis, has begun revising guidelines on dealing with "special data."

If the plan is fulfilled, it will bring a sweeping change to South Korea, where people are currently banned from carrying or circulating North Korean publications, importing or copying them, or watching North Korean films.

"The first phase will be taken within the first half of this year at the earliest and the timing of the second and third phases will be decided according to the domestic and inter-Korean situations," a government official said.

Some government-designated businesses can import North Korean publications through third countries and South Korean nationals can view them at 117 government-approved institutes.

Sino-Soviet Summit Views Nuclear Weapons in North

SK1905121591 Seoul CHOSON ILBO in Korean 19 May 91 p 1

[Report by correspondent Song Hui-yong from Tokyo]

[Text] Myasnikov, deputy director of the Far East Institute of the Soviet Academy of Sciences, revealed that in their summit talks Soviet President Gorbachev and General Secretary of the CPC Jiang Zemin had discussed an inspection of North Korea's nuclear facilities as well as South Korea's entry into the United Nations.

In an interview with the Japanese daily SANKEI SHIMBUN, deputy director Myasnikov said: "China and the Soviet Union cannot be indifferent to the issue of inspecting North Korea's nuclear facilities as it has something to do with the security of the two countries. The leaders of the two countries discussed the situation of the Korean peninsula and South Korea's unilateral entry into the United Nations as well."

He hinted at a serious discussion concerning economic cooperation at the summit talks by saying: "Both China and the Soviet Union this year have taken the step of settling trade accounts with key currencies. However, both countries are short in reserve supplies of foreign currency. Finding itself in an economic crisis, the Soviet Union finds cooperation with China and the Western countries indispensable."

North Korean Woodcutters Forced To Leave USSR

SK1805030791 Seoul CHOSON ILBO in Korean 18 May 91 p 1

[Excerpt] Because of frequent incidents in which Soviet materials are taken illegally by North Korean woodcutters working in the Khavarovsk area of the Soviet Far East, and because North Korean intelligence officials punish and torture workers who have attempted to escape, the Soviet Union has refused to renew the Chegdomyn Woodcutting Agreement signed with North Korea in 1956. This was learned on 17 May.

As a result, about 30,000 North Korean woodcutters who went to the Khavarovsk area must return to North Korea late this year when the agreement expires.

An official of our government revealed: "The Soviet authorities refused negotiations to renew the agreement, which comes every two years, and notified North Korea of their intention not to extend the agreement."

About 30,000 North Korean woodcutters have been working in the Khabarovsk area; they are scattered in boarding houses forming from 3,000 to 10,000-member groups in Chegdomyn and (Berhonebren).

The official said: "These North Korean workers recklessly hunt musk deer, and area residents have lodged a protest against their ecological destruction. Recently, they illegally took out rice, canned food, and other foodstuffs to North Korea, thus causing problems between the Soviet Union and North Korea." He added: "In particular, the North Korean workers neglected to plant young trees, which is obligatory after woodcutting. Thus, a problem has been created for the Soviet side." [passage omitted]

Talks To Ease U.S. 'Menacing Protectionist Move'

SK2105025691 Seoul YONHAP in English 0218 GMT 21 May 91

[Text] Seoul, May 21 (YONHAP)—Korean Assistant Finance Minister Yi Hwan-kyun will huddle in Tokyo with Charles Dallara, his opposite number from America, on Thursday in a move to counter the United States' menacing protectionist move against his country.

The two countries were to hold their regular financial policy talks in Seoul May 16-17 at U.S. urging, but Dallara postponed the encounter. He is in Tokyo to discuss removal of structural trade barriers with Japanese officials.

Finance Ministry sources said Tuesday that Yi would present Dallara with a timetable for phased opening of Korea's financial market and the liberalization of interest rates.

The Ministry decided to present the timetable to deter U.S. Congress from passing the Riegle Bill, which would provide the legal ground to retaliate against nations that do not provide equal treatment for U.S. financial institutions, they said.

Another need for the Tokyo get-together is to iron out differences of opinion on various economic issues before the Korea-U.S. summit this summer, the sources said.

In their Tokyo talks, Yi will explain to Dallara that the Korean Government cannot make Korean banks give U.S. banks access to their on-line computer network nor require the Korea Stock Exchange to admit foreign brokers. He will tell Dallara to advise U.S. banks and securities companies to seek the cooperation of Korean banks and brokers in this regard.

The government announced mid and long-term schedules for financial market opening in 1988 and has taken the steps called for.

As for liberalization of interest rates and foreign exchange, the government maintains the position that interest rates would not be affected by outside pressure and that liberalization of foreign exchange would incur confusion in the domestic financial market by fanning the inflow of hot money.

South To Review Trade Issues Concerning U.S.

SK1805060291 Seoul YONHAP in English 0508 GMT 18 May 91

[Report by Yi Tong-min]

[Text] Seoul, May 18 (OANA-YONHAP)—With President No Tae-u expected to visit the United States in July, Korean trade officials are reassessing major pending issues ranging from cigarettes and chocolates to blood imports and industrial diamonds, but without major expectations of immediate solutions.

Seoul and Washington were able to rub out trade friction early last year, just after America lashed out at the Korean Government over a national austerity campaign that hindered imports.

The two countries hold virtually annual economic consultations on demands and compromises. Some issues discussed are years old and Trade and Industry Ministry officials say they will require even more time.

In what these officials call "the biggest dilemma," Iljin Corp. of Korea and General Electrics (GE) of the United States are embroiled in a court battle over a trade secret.

GE claims Iljin stole its production technology for industrial diamonds. Iljin says it purchased the technology from GE through an employee, and the case is pending in the Massachusetts State Court. The GE employee charged with stealing the trade secret from his company has pleaded guilty.

If Iljin loses in court, it will face massive payments in compensation and royalties.

"GE is a big conglomerate in the United States and its lobbying power in Washington is tremendous. The issue keeps coming up at all our trade talks," one ministry official, requesting anonymity, said.

Negotiations on tobacco are tackled by sector, and this time the main issue is how the Korean Government levies a consumption tax on foreign cigarettes.

Local governments collect the consumption tax at a rate determined by the area's consumption of domestic cigarettes.

The United States is demanding separate bookkeeping for domestic and foreign brands, which Korea says would require heavier tax audits.

The United States says the audits would discourage sales of imported cigarettes and is asking Korea seek an alternative way of separate bookkeeping.

Another hitch is in importing U.S.-made cosmetics. Cosmetics were excluded from the distribution market opening set for July 1 to protect uncompetitive domestic retail businesses, saying no to U.S. demands.

America also questions Korea's inspection guidelines for imported cosmetics, taking issue with Seoul's lack of manpower and its capacity to efficiently carry out the tests.

Another long-term debate is the three-year-old issue of allowing Baxter Co.'s blood preparations into Korea. The government says importing Baxter's blood preparations is not a matter of simple commerce.

"It's a sticky problem because it is linked directly with health matters. We are talking about buying blood from foreign countries," another Ministry official said.

Alongside this issue is the U.S. demand that Korea grant the same medical insurance benefits to imported and domestic drugs. If Korean aspirin is covered by insurance, then U.S. aspirin should be too, the United States says.

"The real complaint has more to do with whether South Korean pharmacists and hospitals are paying enough attention to the scope of the insurance coverage. The Ministry of Health and Social Affairs explained to the United States that it distributed to hospitals and pharmacies the list of foreign drugs that are covered by medical insurance. The United States is saying that the list is hardly adhered to," the official said.

Other relatively minor problems include reduction of tariffs on American chocolate from 18 percent to 10 percent, and import regulations on raisins and walnuts.

"It's naive to think that these issues can be resolved by a certain deadline," a Ministry official said, expressing pessimism that any of them can be resolved before President No's visit.

"There are set rules, policies and timetables. The government is sticking to them," the official said.

Aeroflot Seeks Moscow-Seoul Route Via Beijing

SK1805011291 Seoul YONHAP in English 0044 GMT 18 May 91

[Text] Seoul, May 18 (YONHAP)—Soviet flag carrier Aeroflot recently asked the South Korean Government for permission to fly Moscow-Beijing-Seoul instead of the present Moscow-Shanghai-Seoul route, Transportation Ministry sources said Saturday.

Aeroflot wants to fly directly over the West Sea instead of detouring over the South Sea, cutting flight time by one and half hours, they said. Aeroflot began flying to Seoul in March last year and offers a weekly service on the route.

The Soviet carrier has requested the Civil Aviation Administration of China (CAAC) to change the stopover from Shanghai to Beijing and is asking Seoul through CAAC to allow the change of the route.

It was difficult for Aeroflot to open a new route involving a Chinese destination under the present circumstances, they said. South Korea and China do not have diplomatic relations and a direct air route has yet to open between Seoul and Beijing.

Working-level officials of CAAC and the Korean Transportation Ministry will discuss the proposed route change in a meeting in Seoul next week, the sources said.

South, PRC Holding Secret Talks

SK2105062091 Seoul YONHAP in English 0558 GMT 21 May 91

[Text] Seoul, May 21 (YONHAP)—South Korea and China have begun secret negotiations in Beijing on opening a regular air service between South Korea and China, it was reported Tuesday.

Two Transportation Ministry officials flew to Beijing on Monday at the request of the Chinese Government for aviation talks, the TONG-A ILBO said.

They will hold three days of talks on launching a regular air service on the route between Beijing and Seoul, TONG-A said quoting government sources.

Korea and China have trade representative office in each other's capital, but have no diplomatic ties.

Chartered flights were made between Beijing and Seoul during the Beijing Asiad in 1990 and Seoul Olympics in 1988, but halted in November 1990.

Korea has wanted air talks to set up a regular air service between the nations, but China showed reluctance, perhaps due to objections by North Korea, the newspaper said.

Reportage on South, USSR Trade Agreements

Hyundai To Develop Oil Fields

SK2005021291 Seoul YONHAP in English 0141 GMT 20 May 91

[Text] Seoul, May 20 (YONHAP)—The Hyundai Group of South Korea has agreed with the Kalmyk Autonomous

Soviet Socialist Republic to jointly develop oil fields and begin prospecting in September, a company official said Monday.

Group founder Chong Chu-yong also agreed to build an oil refinery in Kalmytskaya with a capacity of 20,000 to 60,000 barrels a day, he said.

Oil reserves in the fareastern republic are estimated at 2.5 billion tons of low-sulphur light crude, ensuring its commercial viability, he said.

Chong returned Sunday from a nine-day trip to the Soviet Union.

Hyundai will also sell Kalmytskaya 150,000 tons of steel pipe for 300 million dollars, he said.

Steel Exports Face Difficulties

SK2005084891 Seoul THE KOREA ECONOMIC JOURNAL in English 20 May 91 p 9

[Text] Exports of Korean steel to the USSR are facing difficulties as the Soviet Union has proposed their per-ton order prices for cold-rolled steel sheets at $410-$420 on an FOB basis, $30-$40 lower than the international price.

Industry sources said the Soviet Union plans to import 100,000 tons of cold-rolled steel sheets this year, and 150,000 tons of cold-rolled steel sheets and 50,000 tons of galvanized steel sheets from 1993-1994 from Pohang Iron and Steel Co. (POSCO).

However, shipments of cold-rolled steel sheets during 1993-1994 period will not be realized, due to robust domestic demand and unfavorable export prices.

In addition, negotiations between Korean general trading companies and the Soviet Union to export steel pipes including oil pipelines will likely break down, because the Soviet Union proposed per-ton order prices at $500-$510, $70-$80 lower than international prices.

Department Stores Sign Agreement

SK1805055691 Seoul THE KOREA HERALD in English 18 May 91 p 6

[Text] Lotte Department Store of Korea and GUM of the Soviet Union signed an agreement in Seoul Thursday for mutual cooperation ranging from technical assistance and commodity festivals to cultural exchanges.

The protocol was signed by Chang Sung-won, president of Lotte Department Store, and GUM President Stanislav V. Sorokin, who was on week-long visit of Seoul from May 10 leading a four-member delegation.

The Moscow-based state-run GUM will provide a store to exhibit and sell Lotte's commodities and make an effort to send Soviet traditional costumes, dance groups and commodities to Russian Week, a festival to be organized by Lotte in May 1992.

Envoy To Push for Fisheries Accord

SK1305102391 Seoul THE KOREA ECONOMIC JOURNAL in English 13 May 91 p 3

[Text] Korea is pushing the Soviet Union for a bilateral fisheries agreement, as the Soviet political situation is improving, government sources said.

The government has instructed Ambassador to Moscow Kong No-myong to press the Moscow government to sign an agreement during May which the two governments initialed in January this year.

The Soviet Union has twice postponed signing the agreement on the grounds that the domestic situation is unstable. During the Cheju summit meeting between the two countries in April, Korea urged the Soviet Union to sign the fisheries agreement as soon as possible.

Meanwhile, the government reversed its policy of prohibiting Korea-Soviet fisheries cooperation at the private level before the bilateral fisheries treaty is concluded in order to allow three Korean firms to promote joint Korea-Soviet fisheries projects.

Accordingly, the government will shortly approve plans of Daelim, Hyundai and Samho to launch joint fish processing projects with Soviet firms.

Trade With 'Socialist' Nations Shows Increase

SK2005022791 Seoul YONHAP in English 0136 GMT 20 May 91

[Text] Seoul, May 20 (YONHAP)—South Korea's trade with China, the Soviet Union, Eastern Europe and other former or current communist states was 1.29 billion U.S. dollars in January-March, up 46.5 percent from the same quarter last year, a government source said Monday.

Exports were 523.67 million dollars, up 54.8 percent, and imports 763.35 million dollars, up 41.4 percent, he said.

Total two-way trade is projected at 7 billion dollars for the year if the growth rate of the first quarter, twice that for other parts of the world, is sustained.

Economic links were established with the so-called northern states in 1988, and trade increased 42.7 percent in 1989 and 44.2 percent in 1990.

Trade with China in the first quarter was 743.14 million dollars, up 42.2 percent—159.39 million dollars for exports and 583.75 million dollars for imports.

With the Soviet Union the figure was 246.34 million dollars, up 41.5 percent—119.12 million dollars for exports and 127.21 million dollars for imports.

Trade with Eastern Europe was 253.6 million dollars, up 67.4 percent—210.99 million dollars for exports and 42.59 million dollars for imports.

With Vietnam, Mongolia and other socialist states, trade totaled 43.97 million dollars—34.17 million dollars for exports and 9.8 million dollars for imports.

More Ships Making Port Calls

SK2005085091 Seoul THE KOREA ECONOMIC JOURNAL in English 20 May 91 p 30

[Text] The number of ships from socialist countries arriving in Korean ports has been expanding sharply for the past few years, due to the improving relations between Korea and these countries since the Seoul Olympic games.

By year, 61 socialist ships docked at Korean ports in 1984, 24 in 1985, 75 in 1986, 142 in 1988 and 464 in 1989, according to the Korea Maritime and Port Administration (KMPA).

The number rose 47.8 percent to 686 ships in 1990 over 1989.

Furthermore, during the first quarter of this year, a total of 186 socialist flag-bearing vessels entered Korean ports, up 24 percent from 150 during the same period last year.

Meanwhile, Soviet vessels accounted for 74.9 percent (514 ships) of the 1990 total and 73.6 percent (137 ships) of the first-quarter total.

The high proportion of Soviet ships is mainly due to their changed purposes in coming to Korea, from seeking ship repairs services until 1988 to transporting materials from 1989.

As for the three-month total of 186 ships by country excluding Soviet ships, Vietnamese ships accounted for 27, Bulgarian for 9, Polish for 6, Romanian for 4 and Yugoslavian for 3.

South To Overhaul Trade for Uruguay Round Talks

SK2105065591 Seoul YONHAP in English 0635 GMT 21 May 91

[Text] Seoul, May 21 (YONHAP)—South Korea will overhaul trade laws, incentive systems and trade-related rules on quarantine and safeguards in preparation for conclusion of the Uruguay Round of global trade talks, officials at the Economic Planning Board [EPB] said Monday.

To meet the opening of the farm market, structural reforms of the nation's agricultural industry will be sought by the end of June, fully utilizing the import control measures provided for by the General Agreement on Tariffs and Trade [GATT].

Undergoing inter-ministerial consultation are the systems of compensation for idle farmland and limiting acreage to control production and to restrict imports, EPB officials said.

The government will control the quantity of beef, tobacco and other imports by selecting contractors directly through public bidding and notifying GATT of the results, they said.

These and other detailed steps to revise the current trading system were decided in a meeting of the International Cooperation Committee presided over by Deputy Prime Minister Choe Kak-kyu on Monday.

The law on control of tax exemption and export-related financial supports and tax favors will be gradually eliminated, and the Seventh Five-Year Economic Plan will be revised to reflect the policy changes.

To prepare for GATT's implementation of the trade policy review mechanism (TPRM), slated for the first half of next year, the government will also drop legal provisions restricting foreign investment and protection of intellectual property rights, while inserting guarantees of protection of semiconductor and other industrial secrets.

In the belief that easing tariff and non-tariff barriers to industrial imports may positively affect the economy by expanding opportunities for overseas advancement, the government will make constant efforts to strengthen the international competitiveness of Korean products through technical innovation and by enhancing productivity.

The government will actively consider abolishing tariffs on steel, electronics and a few other products. Red tape will be reduced and access limitations eliminated for 411 business sectors .

Regulations on quarantine of animals and plants, inspection of food, anti-dumping charges and safeguards will also be rewritten, EPB officials said.

Kori Nuclear Power Station Resumes Operation

SK1905013691 Seoul THE KOREA HERALD in English 19 May 91 p 6

[Text] One of the four Kori nuclear power stations yesterday resumed generation after a 15-day suspension.

Two other plants are under regular checkup scheduled to plants in early next month.

Operation of the No. 3 power plant in Yangsan-gun, Kyongsangnam-to was suspended due to declines in cooling water in the dynamo, the Ministry of Energy and Resources said.

The plant began generating 300,000kw of electricity yesterday morning and generation is expected to reach its full capacity of 950,000kw at 6 A.M. today, it said.

Extraneous substances, largely oxidized copper, prevented cooling water from flowing smoothly. An emergency team including an engineer from GEC [General Electric Corporation] of Britain made a close inspection of the troubled generator, removing the substances from it.

Companies Said Eager To Hire Korean-Chinese

SK1305044291 Seoul YONHAP in English 0402 GMT 13 May 91

[Text] Seoul, May 13 (YONHAP)—Shipowners and bus companies in South Korea hope to hire Korean-Chinese to ease labor shortages and cut their payroll costs.

Officials at the Transportation Ministry and Korea Maritime and Port Administration said Monday they had recommended that foreigners be allowed to crew Korean ships and drive Korean buses.

In March, economic ministers reaffirmed a ban on foreign labor. They said they feared housing, sanitation, medical and education problems from a large influx of aliens.

An increasing number of sailors have left the sea for less tough jobs on land in the last several years, prompting shipowners to visit areas of China with Korean-Chinese populations and look into the possibility of hiring them at inexpensive wage.

Bus companies also have many vacancies for drivers and have asked the Transportation Ministry to let them use foreigners.

Burma

U Thaung Appointed Ambassador to United States

BK2105020291 Rangoon WORKING PEOPLE'S DAILY in English 9 May 91 p 2

[Text] The chairman of the State Law and Order Restoration Council of the Union of Myanmar [Burma] has appointed U Thaung as ambassador extraordinary and plenipotentiary of the Union of Myanmar to the United States of America.

MP Removed From Elected Representative List

BK1005081091 Rangoon Domestic Service in Burmese 1330 GMT 9 May 91

[Text] The Multiparty Democratic General Elections Commission of the Union of Myanmar [Burma] issued Announcement No. 923 on 9 May 1991. The text of the announcement reads:

Subject: Announcement removing the late People's Assembly Representative U Sai Kyaw Sein, from the list of elected representatives.

U Sai Kyaw Sein [of the Shan Nationalities League for Democracy], who was elected from Mong Ton Township constituency, Shan State, in the Multiparty Democratic General Elections, died on 19 April 1991. He has therefore been removed from the list of elected People's Assembly Representatives.

By the authority vested in me,
Signed: Aye Maung, secretary

Brunei, Malaysia & Singapore

Malaysia

Prime Minister Warns Unionists of Foreign Links

BK2005152491 Hong Kong AFP in English 1310 GMT 20 May 91

[Text] Kuala Lumpur, May 20 (AFP)—Prime Minister Mahathir Mohamed warned workers Monday to be wary of foreign trade unionists, whom he accused of wanting to disrupt Malaysia's industrial peace.

The premier said trade unionists in industrialised countries were forging links here as part of a strategy to reduce the competitiveness of local industries by instigating excessive worker demands and encouraging strikes. Dr. Mahathir was addressing some 6,000 industrial workers, local managers and government employees at a rally.

Dr. Mahathir said that by forging foreign links, some local trade union leaders were ignoring the national interest. Some local unionists also accepted appointments to international labour federations, he said, adding that "this is not an honour."

Since taking office almost 10 years ago, Dr. Mahathir has encouraged Malaysians to join Japanese-style in-house associations, instead of industrial unions.

Natural Rubber Organization Meeting Begins

BK2105073691 Kuala Lumpur BERNAMA in English 0309 GMT 21 May 91

[Excerpt] Kuala Lumpur, May 21 (OANA-BERNAMA)—The twenty-third council meeting of the International Natural Rubber Organisation [INRO] begins here Tuesday with delegates expected to discuss further recommendations calling for improvements to buffer stock operations.

Areas to be covered ere likely to include the compilation of the daily market indicator price, storage of rubber, market intervention and, changes in the composition of buffer stocks, INROs' buffer stock manager, Aldo Hofmeister, said.

However, he said, the first order of business would be the adoption of a report of the special meeting on buffer stock operations held here last week.

Only then would delegates representing the five natural rubber exporting countries, 20 importing countries, and the European Community begin to delve into issues unresolved at the special meeting.

The recommendations by consultants Landell Mills Commodity Study Ltd, among other things, calls for storage of more rubber in producing countries as more of the commodity was sold to Asian consumers. [passage omitted]

Singapore

Goh Chok Tong Opens Pacific Economic Conference

BK2005152091 Singapore Singapore Broadcasting Corporation in English 1400 GMT 20 May 91

[Text] The prime minister, Mr. Goh Chok Tong, said ASEAN should now explore how to inspire a faster rate of Asia-Pacific cooperation. This is because the continued growth and success of the Asia-Pacific serves ASEAN's long-term interest. Mr. Goh said ASEAN can trigger off that process by increasing economic cooperation among its members. It can serve the need for a new phase of competitive cooperation within the regional framework.

The prime minister was addressing the Eighth Pacific Economic Cooperation Conference, [word indistinct] as its theme Pacific Challenge to Global Peace. Mr. Goh said in the Asia-Pacific, it will be political affairs and not economic rationality that determine the degree of economic cooperation. The major issue is for the U.S. and Japan to draw up as well as redefine their relationship in the coming decade.

The Asia-Pacific has to come to terms with the resource of Japan and begin a new dialogue with it.

Mr. Goh said the region must also have its own voice to protect its economic interests in the world's trading affairs. It will help China succeed in its modernization as the region has a vital stake in its success. Now the Korean problem has to be resolved and Indochina has to change its domestic and foreign policies.

The prime minister said that to build up this [words indistinct] something that the 21st century would belong to the Pacific. But, Mr. Goh said he liked to see if the next century will be the best years in the Asia-Pacific. He said Western Europe is a formidable economic sphere and has a potential to grow bigger. In terms of trade, it surpasses the whole Asia-Pacific region. But it has no stable regime or political relationship and institutions like NATO and the European Community to provide the growth for regional (?participation).

Mr. Goh said the Asia-Pacific [word indistinct] is divided and despite various economic integration, met with political complexity.

The prime minister says that the [words indistinct] this year.

Cambodia

Hun Sen Responds to Khmer Rouge 'Ultimatum'

BK2005142891 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 20 May 91

[Interview with Hun Sen, chairman of the Council of Ministers, by unidentified SPK correspondent; date and place not given—read by announcer]

[Text] [Correspondent] What is your reaction to the ultimatum of the Khmer Rouge in setting 5 June as the deadline for the State of Cambodia to accept the Big Five's peace plan otherwise they will stop honoring the voluntary cease-fire?

[Hun Sen] I deeply regret hearing such warmongering and arrogant language that has shaken the hope of the entire Cambodian people and that of the international community, a hope for the beginning of the restoration of peace in Cambodia, the beginning of the end of the fratricidal war, and the return to reason and to national reconstruction. Together with the international community, we hope that the voluntary cease-fire, despite the bellicosity of the Khmer Rouge, can be maintained beyond the forthcoming Jakarta meeting and until the signing of a global political solution.

Concerning the Big Five's peace plan, you might still remember that in Paris in December 1990, the cochairmen clearly assured us that this plan was merely a draft and not a proposal that we had to accept fully or to reject fully. The cochairmen left an opening for further discussion to improve and modify the plan into an applicable formula acceptable to all parties. You can see that in the final communique of that meeting, it was clearly stated that agreements on many major points had emerged and the remaining questions would be discussed later on in the coordinating committee and among the members of the Supreme National Council [SNC].

It was after making that final statement that we repeatedly proposed the convening of an SNC session to settle the remaining questions. If they did not want to settle these remaining questions, it means that they did not want to see lasting peace return to the country so that they could carry on the fratricidal war while shifting all the blame on us.

Recently in Tokyo the resident French ambassador and Indonesian charge d'affaires met with me on 26 April to hand me a message from the cochairmen. In that message, the cochairmen once again reassured me that they had always stressed that this draft accord had never been put forward as a proposal to be either accepted or rejected. Therefore, are we now clear about it?

Now the Khmer Rouge have made the ultimatum to use force to make us accept a draft that even the cochairmen of the Paris conference and authors of the document themselves have never dared to use their right to force us to accept. Therefore, we must be wary of the tricky and hypocritical Khmer Rouge. They have acted as if they are so respectful of the United Nations and human rights and have accepted all decision made by the big five.

This tactic can mislead no one. In fact, the Khmer Rouge have already made up their minds never to respect the terms of the accord and find in our reserve an excuse to sabotage the peace plan and then blame us for their own insincerity.

This ultimatum shows that the Khmer Rouge has no intention whatsoever of settling the Cambodian problem through negotiations or of ending the fratricidal war, the only thing they know how to do. As far as we are concerned, we have always wished for the end of the dispute. We have proposed this voluntary cease-fire for a long, long time to create the mutual trust conducive to the final settlement of all problems. We wish that this voluntary cease-fire that was called for by the cochairmen and the UN secretary general remains in place and leads to a genuine peace in Cambodia. We also wish that the cease-fire now underway be supervised by neutral foreign observers, and also that the supplies of arms to all factions cease immediately. We joyfully welcome a first UN mission, hoping that our show of goodwill would prevail over the warmongering arrogance of the Khmer Rouge. The international public is no fool. It will surely blame the Khmer Rouge for the resumption of the fratricidal war, and for the bloodshed of the Cambodian people in their last attempts to return to power.

I am convinced that the Cambodian people will never let the Khmer Rouge cow them, and will do everything to oppose them and to frustrate their insane attempts to return to power.

Hun Sen Discounts Khmer Rouge Military Abilities

BK2105105291 Hong Kong AFP in English 1049 GMT 21 May 91

[Excerpt] Bangkok, May 21 (AFP)—Cambodian Prime Minister Hun Sen dismissed the possibility of military progress by the Khmer Rouge, saying his embattled government was under no serious threat from its bitter foe.

He also claimed that Cambodia's ailing economy, bad as it is, would not hurt too much. His comments came in an interview with the Paris daily LE MONDE published Tuesday.

"Our position is difficult but not hopeless," said Mr. Hun Sen, who early next month is to lead a delegation of his Vietnam-installed government to Jakarta for peace talks with the Beijing-backed Khmer Rouge, Cambodia's former radical Marxist ruling group, and its non-communist partners in an anti-Phnom Penh guerrilla coalition.

"In military terms, the Khmer Rouge has failed," Mr. Hun Sen said in his interview made available here to AGENCE FRANCE-PRESSE.

The Cambodian premier said the Khmer Rouge had suffered major setbacks in the just-ended dry season in Cambodia.

"They don't have the means to launch major attacks any more. They have lost a lot of weapons and are short of manpower. There are divisions amongst them," he said.

"The worst is behind us," Mr. Hun Sen continued.

"In the economic field, we have enormous difficulties because outside assistance is now very low," he said in a reference to a dramatic cutdown in aid from the Soviet Union, Hanoi's and Phnom Penh's main backer.

"But we can hold out (...) as we're not tumbling down from too high up, the fall is not hurting too much. We are just rolling backwards," Mr. Hun Sen said. [passage omitted]

Hun Sen Asks U.S. To Verify Vietnamese Pullout

OW2105094091 Tokyo KYODO in English 0839 GMT 21 May 91

[Text] Washington, May 21 KYODO—Cambodian Prime Minister Hun Sen has called on the United States to dispatch a mission to Cambodia to verify that no Vietnamese soldiers remain in his country.

Hanoi, which installed Hun Sen's government, announced in September 1989 that it had pulled out all its troops.

Hun Sen made the request in a letter to U.S. Secretary of State James Baker. According to Asian diplomatic sources here, the letter was delivered to Baker by Sen. John Kerry, a Massachusetts Democrat, who visited the Cambodian capital of Phnom Penh early this month.

According to a copy of the letter obtained by KYODO News Service, Hun Sen has asked the U.S. to send the team at any time.

In the May 4 letter, the Cambodian prime minister said he hopes the dispatch of such a U.S. group would help to resolve the dispute over whether Vietnamese troops' remain in Cambodia and to end the prolonged civil war in the country.

U.S. State Department officials said that Baker has received the letter but that Washington has not yet made any response to it.

The officials said, however, that an international organization, such as the United Nations, should verify the withdrawal.

Richard Solomon, U.S. assistant secretary of state for East Asian and Pacific affairs, told the Senate Subcommittee on Foreign Affairs last month that 5,000 to 10,000 Vietnamese military advisers are still stationed in Cambodia.

Solomon warned that this presence in Cambodia does not benefit the Vietnamese Government.

Hun Sen's letter was seen as part of a Phnom Penh diplomatic offensive ahead of the Cambodian peace talks scheduled June 2-4 in Jakarta, Indonesia, observers said.

The meeting is to include 12 members of the Supreme National Council (SNC), representing all four Cambodian factions, the foreign ministers of Indonesia and France, who are co-chairmen of the Paris International Conference on Cambodia, and a representative of United Nations Secretary General Javier Perez de Cuellar.

Hun Sen Discusses Truce With U.S. Veterans

BK2005145791 Phnom Penh SPK in French 0841 GMT 20 May 91

[Text] Phnom Penh 20 May (SPK)—Hun Sen, chairman of the Council of Ministers of the State of Cambodia, recently received in Phnom Penh a group of visiting U.S. veterans led by John F. Terzano.

At the meeting the Cambodian leader spoke of the efforts displayed by the party and the State of Cambodia on the road to a political solution to bring the bloody war in Cambodia to an end. He emphasized that a cease-fire is important to create an atmosphere of mutual trust and spare the lives of many Cambodian people, saying, however, that the truce can be effective only when the countries concerned stopped providing military supplies to all the Cambodian parties.

"All the time the United States is opposed to the Khmer Rouge's return to power, but it gives to the other two Cambodian factions military aid that eventually falls into the hands of the Khmer Rouge," said Hun Sen, who also lashed out at the Big Five's document, which has not contributed to preventing the return of the genocidal regime.

For his part, John F. Terzano underlined that the objective of his visit is to establish a prosthetic aid program and install his representatives in Cambodia.

The U.S. veteran asserted that so far the U.S. people, as well as many U.S. congressmen, senators, and officials, still are not well acquainted with the real situation in Cambodia.

Sihanoukists Issue Statement on Cease-Fire Call

BK2005150891 Hong Kong AFP in English 1502 GMT 20 May 91

[Text] Bangkok, May 20 (AFP)—Cambodian guerrillas fighting the Phnom Penh regime warned Monday against a renewal of an international cease-fire call in Cambodia.

The warning came in a statement issued here by followers of former Cambodian monarch, Prince Norodom Sihanouk, who form one of two small non-communist groups allied to the Beijing-backed Khmer Rouge in opposition to Phnom Penh's Vietnam-installed government.

The statement did not set a deadline for the expiry of the cease-fire in the event of Phnom Penh's failure to accept a U.N. peace plan to end Cambodia's 12-year-old war.

The statement also refrained from specifically mentioning the unprecedented truce, which took effect on May 1, following a call from U.N. Secretary-General Javier Perez de Cuellar and the co-chairs of an international Paris conference on Cambodia—France and Indonesia.

"Promoting initiatives and proposals...could only make Vietnam and the Phnom Penh party more adamant," it said. Guerrilla officials said this was a reference to the cease-fire.

France, Indonesia and the U.N. chief have urged the factions to observe the truce at least until a meeting of their representatives in a Supreme National Council (SNC) set for June 2-4 in Jakarta.

The Marxist Khmer Rouge said last week that the cease-fire would end June 5 unless the Phnom Penh government accepted the U.N. blueprint fully.

"Vietnam and its puppet regime in Phnom Penh should not be rewarded until they have accepted to settle the Cambodia conflict through the framework of a comprehensive political solution," the statement from Prince Sihanouk's followers said.

Phnom Penh has demanded alterations to the U.N. plan to provide for full retention of the pro-Vietnamese government structures and Armed Forces. It has also urged that the cease-fire be continued until a settlement is reached.

4,325 Families Face Food Shortage in Kompong Speu

BK2005063291 Phnom Penh SPK in English
0444 GMT 20 May 91

[Text] Phnom Penh SPK May 20—4,325 families in Phnum Srouch District, Kompong Speu Province, 50 km west of Phnom Penh, are threatened with food shortage, because in the last rainy season the local peasants grew rice on only half of the planned area of 7,300 hectares, and almost two-thirds of the planted area were destroyed by drought, and the rest yielded only 0.9 ton per hectare.

Recently the district's agricultural service has distributed 200 tons of paddy as aid from the provincial authorities to the needy families.

Besides, the service has encouraged the peasants to grow 700 hectares of early short-term monsoon rice to make ends meet before they fully concentrate on the cultivation of 7,300 hectares of land.

Great efforts have been made in the construction and restoration of irrigation projects. At present, besides preparing land for crop cultivation, the peasants are busy strengthening three dikes with a total length of 1,000 metres, and digging two ditches. They have also gathered 370 tons of manure for fertilizing the fields.

To lend a helping hand the service has supplied the peasants with 20 tons of chemical fertilizer and a quantity of insecticide. It has helped war-displaced people plough 80 hectares of land for rice farming.

Banteay Meanchey Requests Humanitarian Aid

BK1705051891 Phnom Penh SPK in French
0835 GMT 16 May 91

[Text] Phnom Penh 16 May (SPK)—The Committee for Assistance to War Refugees of Banteay Meanchey Province recently launched an appeal for urgent assistance to families of war victims of the tripartite coalition.

The appeal says war refugees are in a "critical situation" and requests assistance from authorities, mass organizations, and the province's population.

In the past two years, despite efforts by the State of Cambodia's party and Government in the search for peace, the tripartite coalition forces have intensified their barbarous activities against the people in the northwestern border provinces, especially in Thmar Puok, Sisophon, Banteay Ampil, and Svay Chek in Banteay Meanchey Province. Some 9,240 families have been forced to abandon their homes and are currenty living in nine camps around the provincial seat.

The committee for assistance to war refugees in Cambodia and international humanitarian organizations have brought the victims aid but this is still not enough because of the increasing numbers of displaced persons.

Monsoon Rice Target Lower in War-Ravaged Province

BK2005070491 Phnom Penh SPK in English
0439 GMT 20 May 91

[Text] Phnom Penh SPK May 20—The monsoon cultivation target in the northwestern border province of Banteay Meanchey, 360 km from Phnom Penh, this year is 27,500 hectares less than that of last year as the province is expected to grow only 100,000 hectares of rice due to the sabotage activities carried out by the Khmer bandits.

The provincial agricultural servive said that an area of 46,750 hectares in the districts bordering with Thailand, namely Thmar Puok, Svay Chek and Banteay Ampil, is almost left untouched.

Harassments by troops of the Khmer Rouge-dominated Coalition Government of Democratic Kampuchea have dislodged hundreds of peasant families from the border localities to camps set up by the local authorities.

The service said 5,200 hectares of land have been allotted to war-displaced people to cultivate rice and subsidiary food crops to add up to the supplies given by the state and some international humanitarian organisations in Cambodia.

The decrease in the number of cattle in the province has also affected the cultivation. According to the statistics of the service, the cattle herd in Banteay Meanchey this year drops almost twofold to around 34,000 head as compared with last year's figure due to the illicit sale of animals to Thailand and the pillage of cattle by the Khmer bandits.

Anyway, the service said that tractors in the province can do the ploughing on a large part of the cultivable land. The service has sent 29 tractors to help peasants prepare the crop fields, while 153 tractors privately owned by peasants are busy ploughing 2,400 hectares of land for the cultivation.

The number of private tractors increased by 13 as compared with last year, the service said.

Philippines

Explosions Reported in Manila, Baguio City

1 Killed, 17 Wounded in Manila

HK2105064391 Quezon City Radyo ng Bayan in Tagalog 0400 GMT 21 May 91

[Text] One person was killed in an explosion in Manila last night. The victim was identified as Larry de la Cruz, 28 years old. According to a report by the Manila police, a grenade exploded last night outside a restaurant in Manila's Chinatown district and wounded 17 people. The grenade exploded while a bus was dropping off passengers in front of the La Suerte restaurant on Recto Avenue. Many of the wounded victims were passengers of the bus. Authorities are presently investigating the incident.

Explosions Rock Baguio City

HK2005045091 Quezon City MALAYA in English 20 May 91 p 1

[By Manny Velasco]

[Text] A grenade explosion rocked Baguio City before dawn yesterday, shattering glass windows of the office of a corporation owned by the family of Enresto Aboitiz, president of the National Power Corp.

The explosion, the third in the city in two days, occurred 5:30 a.m. in front of Hydroelectric Development Corp. on Legarda st., according to sketchy reports reaching Camp Aguinaldo.

No one has claimed responsibility for the attacks, but Baguio police expressed suspicion rebel soldiers were behind them.

Saturday morning two plastic bombs exploded within minutes of each other in front of two downtown banks. One explosion destroyed two automatic teller machines and shattered glass panes at the Far East Bank and Trust Co. on Abanao St. The other broke the glass windows of the Bank of the Philippine Islands on Harrison road.

There was no report of any casualty in yesterday's incident.

Police said the explosion barely missed an oil tank containing 1,000 liters of highly-combustible oil.

Witnesses said that minutes before the explosion they saw a man on board a motorcycle lob the dynamite.

The explosive landed in front of the building.

During last Saturday morning's explosion at Far East Bank, a night watchman identified as James Maki suffered cuts when the bomb went off a few meters from him.

Maki told investigators he saw two men, one in fatigue uniform and the other in civilian clothes, aboard a Nissan van with license plate No. PSM-475 heading for Naguilian road after the incident.

Col. Manuel Lopez, Cordillera regional command chief, and Lt. Col. Florencio Fianza, Benguet PNP [Philippine National Police] director declined to speculate on who might have been responsible for the series of bombings.

Investigators said the bombs used in Saturday's attacks were of the C-4 type, a plastic explosive with mainly military applications.

More than 50 bombs of this type rocked Metro Manila and environs last year in what government officials suspected was a plot by military rebels.

Bomb Scare Panics Students

HK2005085691 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 20 May 91

[By Romy Gonzales]

[Text] There was panic among students at the St. Louis University [SLU] this morning after authorities received a phone call saying the university will be bombed. According to a SLU spokesman, an anonymous caller phoned up telling them they had planted a bomb inside the university compound which would explode at 1330 [0530 GMT]. However, up to broadcast time, the explosion has not occurred. The university administrators dismissed and sent students home for fear they might get hurt. The Baguio City Police station immediately responded and despatched men to secure the SLU compound.

Meanwhile, Baguio Congressman Honorato Aquino said that if the mission of the people responsible for the bombings is to win the public's sympathy, they will not succeed because the people will not believe them. For his part, Benguet Congressman Samuel Dangwa said this is the work of plain terrorists and that it could easily be stopped through various measures carried out by the Philippine National Police [PNP]. The PNP has not determined the group responsible for the bombings on the Far East Bank, Bank of the Philippine Islands, and the Hedcor [Hydroelectric Development Corporation] office here in Baguio last Friday and Saturday.

Bombers Sought; Firm Targeted

HK2105043691 Quezon City MALAYA in English 21 May 91 p 1

[By Manny Velasco and Joel Dizon with Nida Mendoza and Marie Rose Feliciano]

[Text] Police have identified perpetrators of three bombings in Baguio City and are expected to make arrests in 48 hours, an official said yesterday.

Senior superintendent Manuel S. Lopez, Cordillera Regional Command chief, said police are "hot on the trail" of the bombers whose identities he withheld.

No one has claimed responsibility for the explosions at Far East Bank and Trust Co. and Bank of the Philippines Islands in downtown Baguio last Saturday and at the Hydroelectric Development Corp. owned by the family of Ernesto Aboitiz, National Power Corp. president, the following day.

Police earlier said they suspect rebel soldiers were behind the bombings.

Probers said plastic explosives were used in the weekend bombings, the same device used to bomb the Philippine Military Academy grandstand in February 1988.

President Aquino said the bombings were perpetrated by terrorists.

"These are purely criminal acts and are only incidentally political," she said in a statement.

Lopez said police have formed inter-agency Task Force Bombshell to track down the suspects.

He said police have doubled car and foot patrols and have set up checkpoints to thwart future attempts to bomb commercial and business establishments.

He said police are tracing the owner of a blue Nissan pickup, with license plate FSM-457, which was seen near the bombing sites.

The pickup, which is equipped with a rollbar and a covered cargo hold and has chrome-alloy magwheels, was last seen on Marcos highway bound for La Union.

Cesar P. Nazareno, Philippine National Police director general, ordered police nationwide to conduct round-the-clock patrols in business and commercial districts.

The directive was issued on the same day that the Makati-based Sycip, Gorres and Velayo [SGV], a leading auditing firm, received a bomb threat.

Police said a woman phoned Rey Mamarlateo, a security guard, at 6 a.m. to warn that a bomb was planted at the SGV offices on Ayala ave.

Two hours later, Pat. Gerardo Loreto, who was then at the office of Lt. Col. Remy Macaspac, Makati police chief, received a call from a woman saying a bomb would explode at SGV at 10 a.m.

A bomb disposal team combed the SGV building but found no explosive.

Suspect Indentified, Charged

HK2105095291 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 21 May 91

[By Romy Gonzalez from Baguio]

[Text] Senior Superintendent Manuel Lopez, regional director of the Philippine National Police Cordillera Regional Command, presented to the local media one of the suspects in the Baguio bombings.

Colonel Lopez identified the suspect as ex-Sergeant Dennis Floresca, former member of the Baguio City police who was dismissed from the service due to his participation in the 1989 coup attempt.

Floresca was arrested after a search warrant was released by Executive Judge Filomenada Capato Cortez of the NTC [National Trial Court] Branch Four.

According to Lopez, Floresca was nabbed in his home at (Brawer) Road, at 1830 [1000 GMT] during a joint raid of the Task Force Bomb Shell formed by Colonel Lopez.

Task Force Bomb Shell, headed by Major Nelson Kawan of the Criminal Investigation Service, was able to seize different kinds of ammunition, including 120 rounds of live M-14 ammunition, 340 rounds of live M-16 ammunition, one rifle grenade, one fragmentation grenade, two M-14 magazines, one M-16 magazine, 42 rounds of live .45 calibre ammunition, 111 pieces of .45 calibre [as heard], 24 rounds of live .38 calibre ammunition, five rounds of live 9 milimeter ammunition, six rounds of live .22 calibre ammunition, 34 M-14 casings, and 30 .38 calibre casings. They also impounded the green Nissan pick-up with plate number PFM 405 owned by Texas Instruments, which was allegedly used as a get-away car during the bombing.

According to Lopez, the suspect was also positively identified by the security guard, whose name he did not reveal for protection purposes. Lopez also added that charges of illegal possession of ammunition will be initially filed against ex-Sergeant Floresca while the investigation continues. Lopez hopes that bombings in Baguio will stop.

For his side, Sergeant Floresca denies that he has anything to do with the charges filed against him.

[Begin Floresca recording in English] I do not know anything about the bombings. Actually, I was surprised when my house was surrounded by armed men last night. As to the bombings, I do not know anything. [end recording]

He [Floresca] asked for an intensive and impartial investigation by another agency to determine the real culprit in the bombing incidents.

Negotiators Comment on U.S. Bases Issue

HK2005123691 Manila THE CHRONICLE in English 18 May 91 pp 1, 5

[By Alan C. Robles]

[Text] This month the Aquino administration finally stopped keeping its options open. It laid its cards on the table for all to see, showing exactly on what terms it will allow the American bases to stay. Boiled down to figures, the terms are simple: $825-million annual compensation for an extension period of seven years, inclusive of pullout. The terms are non-negotiable.

The United States responded with an offer less than half the amount but almost double the duration: $360 million annually for a 10-year extension.

Both sides declined to modify their positions, so the talks—the sixth held so far—were suspended after May 3 to give U.S. negotiator Richard Armitage time to go back to Washington for new instructions.

If the two countries fail to come to an agreement by Sept. 16, the continued existence of the U.S. bases here will be illegal and unconstitutional. Theoretically, the Americans should then start packing.

It's a possibility that causes international queasiness: a few foreign leaders have already been rather forthcoming with their advice that it might be better for the Philippines if it were to keep the bases.

For its part, the U.S. seems to have made a show out of demonstrating that it couldn't care less, that the Philippines can take the offer or jump it. For instance, the U.S. pulled out its negotiator. Then it pulled out a guided missile crusier "homeported" here.

The real question though is whether they'll pull out the bases. Government negotiators don't think so. They believe that flouncing off a negotiating table is a fairly standard ploy.

They also discount U.S. President George Bush's remark about his country's not being in the habit of issuing "blank checks." The check the Philippines is asking for has the numbers clearly filled in.

So where do the talks go from here? Government negotiators, who agree that the U.S. is playing hardball (perhaps with the aid of its friends), nonetheless think Armitage will be back for a seventh, possibly final, round.

According to Alfredo Bengzon, vice-chairman of the bases negotiating team, "I don't think I hear Armitage shutting the door."

If he did it would be a dismal end to talks which had come a long way from the turbulent beginning, when Armitage made disparaging remarks about "cash register diplomacy." Bengzon sees it all as one process.

"In the exploratory talks, we said in effect, ring out the old...mayroon ba kayong palabra de honor?"" [...do you have a word of honor?"]

The succeeding talks saw both sides working on the framework of the discussions, and consolidating their positions.

Throughout, Bengzon points out, "the talks were intense, straightforward" but "not at all acrimonious." He says the negotiations were not marked by deviations or opportunism: "the panel has been consistent in its dealings with the U.S. and...faithful to the framework of the instructions given by the President."

He thinks that the negotiations showed the U.S. that things had changed.

"It's possible that based on their experience with us, they could conclude that they could drive a hard bargain... We're telling them we're not playing games."

Now everything is on the table, in precise numbers and figures, and government officials are guardedly optimistic.

In fact, the National Security Council's Allan Ortiz is more concerned by media treatment of the talks. He is annoyed by reports which say the talks have broken down or are deadlocked.

"That's a media creation, it's a media ploy, pitting one side against the other," he says, testily adding that "the media are the least informed—they should study what's going on—this is not a healthy situation."

Bengzon agrees. "Personalty, words like 'breakdown' and 'deadlock' don't bother me that much, but they tend to be emotionally laden."

Right now though, it needs a brave man to assert that the talks are going swimmingly. The public has been confused by contradictory reports regarding the finalization of a treaty. Foreign Secretary Raul Manglapus fumbled in relaying the news that the U.S. had agreed to the Philippine terms, when what he really meant was that Armitage thought there might be a favorable response.

Bewildered, Sen. John Osmena fumes that it might be better off to just wait for another administration to start the negotiations all over.

But Ortiz prefers to lay the blame squarely on media sensationalism. He is particularly irritated by the way the Philippine panel seems to be targeted for criticism.

Oriz is even more irritated over the way the media seem to be singling out the Philippine panel for criticism. "The press tends to jump on us, of all sides. This is an equally shared process," he complains.

The Philippine panel prefers to be non-confrontational about the bases talks, and would rather not see it in terms of one side getting the upper hand.

"We look on this as an opportunity to recast our relationships, not to sever it," Bengzon reminds.

Still, talk about advantage is unavoidable where relations between a poor country and a superpower are involved.

Senator Rene Saguisag points out that "we are really the weaker side in the partnership...We're a very poor Third World country...the other side is powerful and knows that many of its spokesmen are in fact, Filipinos."

However, this time around the Philippines has a few teeny advantages. An immediate one is that the U.S. might have overdone its hardline position. Even supporters of the bases have been turned off by the terms offered by the Americans.

According to Saguisag, "$360 million and 10 years has absolutely no support, even from those who are pro-bases." He says the terms are "very long and very low." Some pro-bases advocates, such as Senator Osmena, want $1 billion plus things such as trade and immigration preferences.

Anyway, the Aquino administration will be happy enough getting $825 million each year for seven years.

Negotiators are confident the U.S. will come around, first, because it needs the bases, and second, because of the looming Sept. 16 deadline.

Asked about the criticism that government is botching negotiations, Bengzon replies: "I don't really know why people say that."

He thinks "part of the problem might be that there are many sectors of society we may face."

More significantly, "it's the nature of the issue and our job that we can't talk about details."

Ortiz says that negotiations are "still moving, and we're working towards an agreement" If the U.S. is obdurate, he says, "we'll be just as obdurate."

Bengzon notes how, while Bush made his "blank check" remark, "he also said he didn't think the facilities would be shut down."

So the road, while rough, looks like it leads to a treaty. But, as usual, there are complications.

The treaty would have to go through Congress, and it's not even sure that it will be ratified by the Senate. At the $825 million/seven year formula, there are even chances the treaty would pass. The chances become practically nil where the U.S. proposal of $360 million/10 years is concerned.

Given the possibility of a tough time at the Senate, and with the September deadline approaching, it might just behoove the U.S. to wait for a more friendly administration to come to power.

In this scenario, no treaty would be drawn up. The bases would therefore have to start shipping out this year. This is where another complication comes in. The Rusk-Ramos agreement of 1979 can be interpreted such that the U.S. might not have to start moving out until next year, by which time another administration will have assumed office.

Even if this debate were to be settled, the U.S. could still move out with deliberation—"maybe they'll remove one soldier a day," says Saguisag—until a new administration comes to power.

Saguisag himself wants the bases out, period. He thinks that if this happens, the worst scenario would be "to consider ourselves as having been devastated by a war." He argues, "there's no reason why we can't stand up on our own two feet and spread our wings—it's just like losing our parents, you become an orphan but you become an adult overnight."

His sentiment represents a minority. Bengzon, himself depicted as a "radical" in the negotiating panel, assures that "there is no intention on the part of the Philippines to kick out the Americans—it is even in their interest to have an agreement that gives evidence to this government upholding the country's respectability."

Some American officials have said that the ball is now in the Philippine court, that how the talks turn out depends on the Philipines. On the contrary, the ball is now in the U.S. court, and it is up to it to accept or reject the Philippine position.

Perhaps, the countries and organizations which are at the Philippines' back telling it to keep the bases would do better to go to the U.S. they could ask it to fork out a yearly package that represents a fraction of what it spent over several days destroying Iraq.

No Quayle Visit, 'No Treaty'

HK2105090691 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 21 May 91

[By Rey Arquiza—passage in italics in English]

[Text] A Department of Foreign Affairs official stated that the Philippines position in relation to Quayle's visit to Manila is: *No visit, no treaty.* U.S. Embassy officials were said to have been discussing the possibility of their vice president's visit to Manila to sign a new agreement for the retention of the U.S. military bases in the country.

Aquino Denies Seeking U.S. Help in 1989 Coup

HK2005124691 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 20 May 91

[By Dick Sinchongco from Malacanang]

[Text] President Corazon Aquino stressed it was the United States who offered to help crush the most serious coup attempt in December 1989. At the same time, the president denied asking the U.S. to bomb the rebel soldiers at the height of the coup. She issued the statement in reaction to a book entitled *THE COMMANDERS*, written by American author Bob Woodward. In his book, Woodward claimed that President Aquino asked the United States to bomb the rebel forces. The president explained that as far as she can remember, after extending her personal gratitude to U.S. Ambassador to the Philippines Nicholas Platt for their expression of support to the country, he even asked her what else the United States could do. The chief executive said she told Platt to talk to Defense Secretary Fidel Ramos. Platt called her up again to confirm Ramos' request for unarmed persuasion overflights.

Ramos: Bush, Platt Offered Help

HK2005135491 Quezon City MALAYA in English 20 May 91 p 2

[By Manny Velasco]

[Text] Defense Secretary Fidel Ramos yesterday disputed the claims of an American author who wrote that President Aquino asked the U.S. government to order American fighter jets from Clark Air Base to attack rebel soldiers in Cavite and Metro Manila during the failed December 1989 coup attempt.

Ramos, in a press statement, said the government never sought the assistance of the American military during the 1989 coup attempt.

"It was the American officials, principally President George Bush and Nicholas Platt, who had asked President Aquino how they could help in crushing the coup attempt," he revealed.

The President, Ramos added, then instructed him to coordinate with the U.S. officials, which he did after some consultations with then AFP [Armed Forces of the Philippines] chief Gen. Renato de Villa.

Bob Woodward, in his recent book "The Commanders," claimed that Mrs. Aquino asked the U.S. to bomb rebel positions in and around Metro Manila during the coup attempt.

Ramos said Woodward based his story solely on accounts of U.S. officials and did not try to corroborate their statements with Filipino officials.

He said that after talking with De Villa, he asked the U.S. government to conduct "non-firing persuasion flights of short durations" to prevent rebel pilots from launching a second wave of air attacks against government forces in Manila.

Ramos added that the persuasion flights were intended to intimidate rebel pilots from taking off from the Sangley Air Base in Cavite City, where they landed after bombing government camps and facilities in the morning of Dec. 1, 1989.

Aquino Dismisses Reported 'Private Armies'

HK2005135291 Quezon City MALAYA in English 20 May 91 pp 1, 2

[By Marie Rose Feliciano]

[Text] President Aquino yesterday pooh-poohed reports that some politicians have organized private armies in preparation for the 1992 elections, saying such claims are not supported by evidence.

The President also dispelled fears that the entry of Defense Secretary Fidel Ramos in politics would mean further politicization of the military.

In an interview with Fuji Television Network, Mrs. Aquino said the citizenry has to report the existence of private armies, if any, so government could act accordingly.

"Well, it (report on private armies) was just an apprehension and there was no report, you know, that actually this is taking place," Mrs. Aquino said.

With next yuar's elections fast approaching, fears on guns and goons have been rekindled as election violence in the past had been tied up with private armies of politicians. The reason why police forces had been removed from local executives' control was their use in political campaigns.

Early in her term, the President herself was accused of training a private army in her home province of Tarlac. Her brother, Rep. Jose Cojuangco (LDP) [Struggle of the Philippine Democrats], later admitted the existence of the "yellow" army, explaining however that its members were military men being trained as presidential close-in security.

"This is why it is important that not only government but even the private citizens report any unusual presence of private armies or of guns so that we can take the necessary steps," Mrs. Aquino said.

The President said she has instructed AFP [Armed Forces of the Philippines] Chief Lt. Gen. Lisandro Abadia to ensure that the military remain neutral in next year's elections.

And what about fears that Ramos' decision to enter politics would further politicize the AFP?

"I don't think so," the President said, "because during the last five years, Secretary Ramos has shown his dedication to and support of democratic processes. So, I believe his record speaks for itself."

Ramos Says No Foreign Meddling Allowed in Polls

HK2005135091 Manila MANILA BULLETIN in English 20 May 91 p 20

[Excerpt] Defense Secretary Fidel Ramos said yesterday he would not allow any foreign country, including the United States, to intervene in the 1992 elections.

At the same time, he hit at rivals who criticize his use of military planes and helicopters during his provincial sorties, saying "it is a part of my job to oversee the stability of the country."

Ramos, also chairman of the Peace and Order Council, said he rides on military aircraft to save time and effort in going to his destinations to get briefings from local officials on the security situation.

However, he said he makes sure that these rides are shared by officials who have related missions with defense and military people.

The defense chief said no foreign power can meddle in the coming local and national elections since it is the country's own affairs.

"We will not allow the U.S. or any foreign country, group, or entity to interfere with our national affairs," he told newsmen.

Ramos flew on military aircraft over the weekend to Tagbilaran in Bohol to meet with the local peace and order council leaders and address a convention of Bohol youth and student leaders.

On both occasions, he took time to defend his provincial trips using government facilities and planes.

Ramos has been criticized by other sectors on his use of government facilities in his visits to the provinces.

Some politicians claim that he was taking advantage of his position in his campaign for presidency next year. [passage omitted]

Aquino 'Categorical' on Not Seeking Reelection

BK1805091291 Hong Kong AFP in English 0903 GMT 18 May 91

[Text] Singapore, May 18 (AFP)—Philippine President Corazon Aquino said she is categorical in her decision to step down next year and praised a would-be successor, Defence Secretary Fidel Ramos, for his commitment to democracy.

In an interview published Saturday in the BUSINESS TIMES here, Mrs. Aquino reaffirmed her determination not to be a candidate in the election due in March.

"I really cannot think of any situation where I will change my position of not running for re-election," said Mrs. Aquino, who has ruled the Philippines since the people power revolution in 1986.

Mrs. Aquino had kind words for Mr. Ramos, the former armed forces chief who played a key role in ousting Ferdinand Marcos and bringing her to power.

Asked whether his presidential hopes would boost the military's role in national politics, Mrs. Aquino said, "during the past five years, Secretary Ramos has shown his dedication and support for the democratic process.

"I believe his record speaks for itself."

She said the sex of another hopeful, Miriam Defensor-Santiago, would play no part in the election as Filipinos "are not really guided by whether you are a man or a woman."

The BUSINESS TIMES said the interview was granted to its reporter as well as journalists from Fuji Television and Greek Television Channel 2.

Laurel: Aquino To Endorse Herself

HK2005063091 Quezon City MALAYA in English 20 May 19 pp 1, 2

[By Eric Loretizo with Marie Rose Feliciano and Rolando Puaben]

[Text] President Aquino will end up endorsing herself as presidential candidate in next year's polls in the mistaken belief she still enjoys popular support, Vice President Salvador Laurel said over the weekend.

All she will get for her efforts is the frustration of knowing people will no longer vote for her, Laurel said.

But Mrs. Aquino, who time and again said she will not seek reelection in 1992, reiterated in an interview with Japanese television her promise to endorse a candidate with the best chance of winning.

Defense Secretary Fidel Ramos also expressed confidence that Mrs. Aquino will not seek reelection.

"I strongly believe in the sincerity of the President regarding the issue," Ramos said, adding that he is open for discussion if the President will decide otherwise.

Laurel said opposition leaders have not decided yet on who will run as the opposition standard-bearer in the 1992 elections, but expressed confidence that they will agree on fielding a single candidate.

Sen. Juan Ponce Enrile (NP [Nacionalista Party]), during last weekend's 2nd Regional Convention of Councilors' Leagues of Western Visayas in Bacolod City said that he, Laurel, Sen. Joseph Estrada and Eduardo Cojuangco Jr. are meeting to discuss election strategies. The convention was also attended by Laurel, Ramos, Estrada, Senate President Jovito Salonga, Speaker Ramon Mitra.

"I must admit that there was a tacit understanding that the opposition, as a matter of tactical and political consideration, must only have one candidate," he said.

In a separate press conference, Enrile expressed optimism that he will win the NP nomination, saying he could "give everyone a good fight."

Laurel, on the other hand, denied that Cojuangco has agreed to be his runningmate even as he said the choice of a common candidate cannot be decided on a convention since Cojuangco has not joined the Nacionalista Party.

"It must be through some kind of an understanding or an agreement by consensus, or we'll just leave the matter to the NP's central committee," he said.

Laurel said that he, unlike Ramos, Mitra, and former Miriam Defensor-Santiago who had publicly declared their intention to run for the presidency, would wait for the proper time before declaring his candidacy.

He said he does not want to be disqualified on a technicality since the law prohibits campaigning for the presidency or for any elective posts and until after Dec. 28, 1992. [as published]

Denies Endorsing Ramos, Own Entry

HK2005121691 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 20 May 91

[By Dick Sinchongco]

[Text] President Corazon Aquino denied she is endorsing Defense Secretary Fidel Ramos for the 1992 presidential elections. In a statement, the president said she will endorse her presidential candidate on her birthday in January next year. The president issued the statement amidst reports stating that she had notified Secretary Fidel Ramos, one of the presidential hopefuls, not to worry about his plan to run in the coming polls.

Meanwhile, the president reiterated she is not running again in the 1992 presidential race. In her meeting with the Barangay Council of Women of San Miguel, Bulacan, the president said she has answered, time and again, questions on whether she will run again. This is the president's reaction to Vice President Salvador Laurel's statement that there is a possibility the president might endorse herself due to her belief that she still enjoys immense support.

Senate Restores P30 Million Budget Cut to Navy

HK2005123491 Manila MANILA BULLETIN in English 19 May 91 p 8

[By Mario Casayuan]

[Text] Sen. Leticia Ramos Shahani pressed yesterday for the early implementation of the moth-balled San Roque hydroelectric dam project to avert an environmental crisis gripping Pangasinan and parts of Tarlac and Nueva Ecija.

Also yesterday, the Senate restored the P30 million [pesos] earlier cut from the budget of the Philippine Navy (PN) as it expressed hopes that the Navy could solve the problem of foreign fishing vessels intruding into the country's territorial waters.

Sen. Ernesto M. Maceda, chairman of the Senate national defense committee and vice chairman of the Senate finance committee, agreed to the fund restoration as sought by Sen. Aquilino Q. Pimentel, Jr. following the seizure by Philippine authorities of Taiwanese boats fishing in contested territorial waters.

The restoration came during a debate over the 1991 national budget which Sen. Neptali A. Gonzales, finance committee chairman, said would be passed by the Senate on June 6.

Shahani said an early decision on this issue is needed as thousands of agricultural lands in Pangasinan and parts of Tarlac and Nueva Ecija are either destroyed or made unusable because of unabated erosion, siltation and toxic mine tailings from the Cordilleras.

Estimated initial construction cost of the project that has a rate power of 390 megawatts badly needed by the Luzon power grid now reaches the P20 billion level.

Given the budgetary shortages, Shahani expressed hopes that the Executive Branch create an inter-agency task force to study and come up with alternative strategies to "alternative strategies to "alleviate the suffering of farm people in Pangasinan, Tarlac and Nueva Ecija."

The lady senator from Pangasinan said the San Rogue multi-purpose dam, if eventually constructed, will provide irrigation for 139,000 hectares of agricultural land, act as flood control for the area, and improve the greatly deteriorated land by reducing its mine tailings and other impurities.

Private Sector Allowed Access to ODA

HK1705082391 Manila BUSINESS WORLD in English 17 May 91 pp 1, 5

[By reporter Ma. Gertrudes M. Chavez]

[Text] Malacanang has allowed the private sector access to official development assistance (ODA) through the build-operate-transfer (BOT) scheme, Finance Secretary Jesus, P. Estanislao said yesterday.

This will help fill the gap in peso counterpart funding by requiring the private sector to provide the funds which can be significantly higher than what Government can afford, he noted.

Mr Estanislao said this is a form of leveraging by Government because it would be relying less on government resources. Under the scheme, the private sector will build, operate and then transfer the project to Government at zero book value after a certain period.

The Finance chief stressed that meaningful privatization no longer involves transferring ownership of non-performing assets to the private sector. Under Government's reorientation program, privatization includes the involvement of the private sector even at the start—upon the conception and pre-feasibility stage of the project.

It was proposed earlier that the deficit of government-owned and -controlled corporations (GOCCs) should be cut by P3 billion [pesos], but this proposal was set aside since the bulk of GOCC expenditures or about 85% are devoted to proejcts by the National Power Corp, Philippine National Oil Co, Metropolitan Waterworks and Sewerage System, and the National Electrification Administration, which belong to key sectors. Instead, Government will have to fill in the gap through tapping the amount needed from the private sector.

Infrastructure projects totalling $593 million are in the pipeline, Mr Estanislao said.

Of the $593 million, $290 million represent ongoing foreign-assisted projects and $303 million in loans are still to be negotiated. In addition, the ongoing projects need $220 million to be completed, while those under negotiations need an additional $70 million.

Bilateral and multilateral creditors have signified their willingness to further provide funding for various government projects under the BOT scheme provided the rules are clear. Specifically, they want guarantees that the loans will be repaid.

On the other hand, DOF [Department of Finance] Undersecretary Romeo Bernardo said Government offers no financial guarantees, but it merely attests to the credit worthiness of the borrower and the viability of the project concerned.

At the moment, Government is now rushing to complete the implementing guidelines for the BOT scheme. Next month, it is set to launch a nationwide information campaign to popularize the BOT arrangement which is now working wonders in other Asian countries, such as South Korea and Japan.

In the Philippines, Mr Bernardo said the BOT shows some promise. For instance, he cited a power project by the Hong Kong based Hopewell Corp. He disclosed that under the project, Hopewell would only have 10% participation. But the Hong Kong company ended up with providing major inputs and that is why the Philippines is not really suffering from severe power outages.

Agriculture Receives Japanese Economic Aid

HK1605055291 Manila BUSINESS WORLD in English 16 May 91 p 2

[By Edgar R. Bancod]

[Text] The Department of Agriculture (DA) got a $12-million share in the $226-million economic assistance package secured by Pres. Aquino during her trip to Japan last year.

The $12-million was sliced from the $26-million "grant component" of the package.

Tomas B. Lopez Jr., executive-director of the National Agriculture and Fishery Council (NAFC), told BUSINESS WORLD the DA will use half the money in procuring about 24,000 metric tons of soyabean meal and the other half for chemical farm inputs.

Based on original plans, the DA was to use a portion of the money it was then eyeing in importing urea, a petroleum-based fertilizer. The supply of foreign exchange was a bit tight in the banking system then.

The DA, said Mr. Lopez, will be holding a "bid to procure" and a "bid to sell" the agricultural commodities.

Apart from the DA, Mr. Lopez also said the National Power Corp. and the National Steel Corp. each got a $6-million share in the $26-million grant component. Their shares, he said, will be used in the procurement of oil and steel.

Intermediary

Unlike the two state-owned corporations, Mr. Lopez said the DA will not be the "end-users" of the imported commodities. It will merely act as an intermediary between buyers and sellers.

Proceeds from the sale of the commodities will go to the National Treasury to fill in the deficit in the funds for the earthquake rehabilitation program.

Pres. Aquino secured the $226-million pledge for earthquake rehabilitation from Prime Minister Toshiki Kaifu of Japan when she attended the enthronement of Emperor Akihito in Tokyo last Nov. 13.

Earlier reports note that the loan component is not tied to any conditionalities.

Mr. Kaifu also assured Mrs. Aquino during their meeting of a "quick disburesement of loans."

New Attack Planes for Air Force Announced

HK2005124391 Manila MANILA BULLETIN in English 19 May 91 pp 1, 5

[By Louie Perez]

[Text] Edwin Andrews Air Base, Zamboanga City—The old T-28 "Tora-Tora" attack plane will be phased out soon to give way to modern aircraft, Maj. Gen. Loven C. Abadia, Philippine Air Force (PAF) chief, said during ceremonies honoring the new commanders of the PAF's 3rd Air Division and this air base.

Installed as new 3rd Air Division chief was Brig. Gen. Alfredo Reyes. Col. Francisco Atayde is the new base commander, succeeding Col. Aniceto Bisnar who was assigned to the 410th Maintenance Wing at Villamor Air Base in Passy City.

Abadia said the phase-out of the T-28 aircraft, used for close air support of ground forces in counter-insurgency campaigns, will be replaced by more powerful twin-engine attack aircraft.

Only 12 T-28s, based all over the country, are left of the 24 acquired in 1975. Some have crashed while others are now unserviceable.

Abadia said the T-28 was made by North American Aircraft Corp., maker of the F-51 Mustang and the F-86 jet fighter planes.

The T-28 resembles the Japanese Zero fighter planes which attacked Pearl Harbor in Hawaii on Dec. 7, 1941, triggering the Pacific war.

Abadia said it will be cheaper for the PAF to phase out the T-28 as it has become very difficult to maintain them.

Abadia said the phase-out of the T-28 will be made after the new OV-10 "Bronco" twin-engine turbo-prop attack planes are delivered. The initial 24 "Bronco" planes, acquired under the foreign military sales program of the United States, will arrive this year, he added.

Abadia visited Maj. Arturo Salazar, 38, executive officer of the PAF's 206th Tactical Helicopter Wing here, who was wounded while flying a helicopter in a clash with outlaws last April 30 in Tipo-Tipo, Basilan City.

Salazar is confined at the Southern Command General Hospital.

Generals Back Reforms, Respect Abadia Selection

HK1605063491 Quezon City MALAYA in English 16 May 91 p 3

[By Romy Tangbawan]

[Text] Four area commanders of the Armed Forces yesterday endorsed a proposal of Maj. Gen. Alexander Aguirre to change the system of selecting officers for key posts even as they vowed to respect President Aquino's decision in appointing Lt. Gen. Alexander Abadia as AFP [Armed Forces of the Philippines] chief of staff.

Appearing before a closed-door hearing by the Commission on Appointments' [CA] defense committee, the generals expressed concern that the manner in which officers are being selected could trigger disenchantment within the military establishment.

Those who testified were Brigadier Generals Eduardo Cabanlig, Marines commandant; Ernesto Calupig, chief of the Northern Luzon Command; Thelmo Cunanan, National Capital Region Defense Command chief; and Federico Ruiz, Southern Luzon Command chief.

Sen. Mamintal Tamano (NP) [Nacionalista Party], chairman of the CA defense committee, said the generals testified not to oppose Abadia's appointment but to share their views on needed reforms in the AFP to avoid controversies such as Aguirre's resignation in the future.

Tamano said the generals supported Aguirre's proposal for Congress to enact a law establishing a systematic selection process.

He said the committee will decide on Tuesday whether to endorse Abadia's appointment for confirmation in the CA's plenary session on Wednesday.

Aguirre's proposal, which the CA members have adopted as a bill seeks to set the minimum qualifications for the positions of chief of staff and vice chief of staff, deputy chief of staff, major service commanders, and area commanders.

For the chief of staff and vice chief of staff, the appointees must be a general or flag officer, must have satisfactorily commanded an army division or its equivalent in other services for at least two years, rendered duty as general staff officer for three years, a graduate of the command and general staff, and not retireable within one year from the date of appointment.

Nominees for the posts of deputy chief of staff, major service commanders, service commanders and area commanders must be generals or flag officers, satisfactorily commanded an army brigade or its equivalent in other service for at least two years, rendered his duties satisfactorily as a general staff officer for two years, a graduate of the general and command staff, and not retireable within six months from date of appointment.

The four generals told the Tamano panel that this selection process will limit the choice of the president to those who had been proven capable in handling major commands.

It is also expected to insulate the Armed Forces from partisan politics and limit the exercise of "presidential prerogative" which allows the president to bypass senior officers and appoint even a mere colonel as chief of staff.

Abadia Extends Deadline for Honasan Talks

HK2005120891 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 20 May 91

[Text] Armed Forces of the Philippines Chief General Lisandro Abadia said that he will extend the Armed Forces' deadline set for Gringo Honasan's group to respond to his offer for a peace dialogue.

Abadia originally set the deadline for this midnight. The rebel soldiers reportedly agreed to Abadia's offer. Nonetheless, Honasan's group has not yet set the time or place for the peace talks between the two parties.

Manila Asks Taiwan for Talks on Maritime Dispute

HK1605055691 Manila THE MANILA CHRONICLE in English 16 May 91 p 1

[Text] Malacanang has formally asked Taiwan for talks in Manila to resolve the simmering maritime dispute between the two countries over waters off northern Philippines, Palace officials said yesterday.

The move was made amid still opposition by the Department of Foreign Affairs [DFA] which maintained that even semi-official talks between Manila and Taipeh would violate the country's "one-China" policy.

Under the policy, the Philippines recognizes the communist mainland as the true China and treats Taiwan as China's province.

Palace sources said the invitation for talks was made in a letter by Assistant Executive Secretary Roberto V. Lucila to Yu Yuhsien, chairman of Taiwan's agriculture council.

Lucila is chairman of the South China Sea Disputes Committee, an interagency committee created by President Aquino to look into the disputes between foreign fishing vessels and the Philippines.

Lucila earlier admitted holding talks with Yu in Taipeh on April 26 to resolve the controversy between the two countries as a result of the Coast Guard's arrest of three Taiwanese fishing vessels and nine Taiwanese fishermen off batanes. "We are awaiting their reply (to the letter). We are asking them for somebody to come here and talk," a Palace source said.

Press Undersecretary Horacio Paredes, a member of the committee, said the two sides would have to set parameters for the talks and come up with a modus vivendi (a working plan) on the dispute, especially on Taiwan's claim of a 200-mile economic zone, despite its not being a signatory to the International Law of the Sea.

Palace officials said the talks may lead to a "unilateral declaration" by either side about its boundaries so as not to violate the one-China policy.

The meeting could also arrange for an agreement between fishing associations of both countries.

The DFA, on the other hand, suggested talks between Beijing and Manila on the boundaries between the two countries to resolve the Taiwan-Philippines dispute, sources said. The foreign officials reportedly explained this would be more in keeping with the one-China policy. But most members of the presidential committee described the proposal as "impractical."

Earlier, in a statement, the committee recommended to Mrs. Aquino the repeal of Executive Orders 656 and 81, issued by then president Macros in 1967 and 1981, creating the Committee on Illegal Entrants [CIE].

The CIE, an interagency committee, is reportedly delaying the filing of criminal cases by the Coast Guard against foreign poachers.

Based on the 1981 executive order, the committee is composed of representative from the DFA PC [Philippine Constabulary], Bureau of Immigration and Deportation, Bureau of Fisheries and Aquatic Resources, Philippine Army, Philippine Navy and Anti-Smuggling Action Committee.

Thailand

Anan Says Government May Yield on Patent Issue

BK2105014391 Bangkok BANGKOK POST in English 21 May 91 p 3

[Text] Prime Minister Anan Panyarachun said last night his government might have to yield to US pressure on pharmaceutical patent protection but it would protect the interests of the country at the same time.

In apparent response to criticism of his Commerce Minister's stand on trade disputes with the US, the Prime Minister said Thailand is protecting its interests in handling the issue.

"I can vouch for you that this government—the Commerce and Foreign ministers and I myself—never forget the poor people, because they are everywhere in Thailand, and they are the ones who would bear the harshest consequences of pharmaceutical patent protection or of a possible export slump as a result of US trade retaliation," he said in an address to the Federation of Thai Industries last night.

Resolution of the trade dispute, in which the US threatens retaliation unless Thailand improves intellectual property and patent legislation and protection, must take into account all aspects, Mr Anan said.

"Our ally has its own way of working which we may not agree with because it does not conform with international rules. But in the world arena, legitimacy is hard to find and justice is a question of whose," he said.

"In the realm of international politics, there's no friend or foe, there's only interest."

Protection of patents and intellectual property rights "is not a moral issue, nor is it exclusively trade, but all are interrelated," the Premier said.

The state agencies involved ought to provide complete information to clarify to protection opponents that "what the government plans to do is not what they allege, but takes into consideration the country and the poor."

Commerce Minister Amaret Sila-on recently came under fire from several groups that the government was poised to give in to unreasonable US demands.

Critics and opponents of the government's position may not have a complete picture of the issue, the Prime Minister said.

"Don't think that you are always right, that you alone are crusading for the poor. We must realise our limitations," he said.

"And please don't think that Singapore, Korea or Mexico, which have done what the US has asked, are not as smart as us," he added.

The task of the government is to negotiate successfully, taking into account overall national interests, he said.

An export slump as a result of US retaliation against inadequate patent protection would also hurt the poor who work in the export sector and related businesses such as the port, he said.

"Besides, the Thai government has not yet made a pledge to the US. We are going to have a meeting next month, and Commerce Minister Amaret is keeping me informed."

The administration believes in collective responsibility, he said, and welcomes any views and suggestions. But they have to be based on facts, and the recognition that there is not any aspect of the problem that can be resolved exclusively.

Responding to an audience question on whether Thailand would win the pharmaceutical patents fight, he replied:

"The US is bigger than us, and has more bargaining power. This is the truth. The US has a position; we have ours. Obviously we must move towards their position. But the question is whether we can go as far as they want us to. We have to fight, and in the process will have to yield some, yet we have a limit past which we can't retreat."

Editorial on Patent Issue

BK1905154191 Bangkok NAEO NA in Thai 19 May 91 p 4

[Editorial: "Think About Our Losses"]

[Text] For five years now Thailand has come under U.S. pressure to have Thailand amend patent, copyright, and trademark laws. The United States accused Thailand of failing to protect U.S. intellectual property rights, with cases of violations, piracy, and forging continuing unabated. This has caused serious losses to the United States. The United States wants Thailand to solve the problem or face cancellation of "GSP" [Generalized System of Preferences] status, or special privileges granted by the United States to its trading partners in the form of exemptions on import tariffs charged on products sold in the United States.

There are two reactions to the U.S. pressure. The first is from those who think that Thailand should amend its laws for the United States in order to protect Thailand's huge export markets. The second is from those who do not want Thailand to yield to U.S. demands because, according to them, Thailand is not a colony or a slave to the United States.

The government, meanwhile, opted for the middle-of-the-road policy and amended certain clauses in the copyright law although no amendment has been made to the patent and trademark act. The move pleased the United States and Thailand was saved from the GSP cuts.

But the United States has now renewed its threat to cut GSP privileges on Thailand's exports to the United States. Anyway, several export items from Thailand are no longer entitled to the GSP privileges because they have surpassed the level required. Thailand will therefore partially suffer from the measures, and the exports to be affected are those still not very popular.

Attitudes of the various groups in Thailand on this issue differ. The government has a tendency to amend the laws in line with the U.S. demand. It holds that the U.S. move is not a case of discrimination against Thailand, but a policy adopted by the U.S. Government toward all of its trading partners alike. Many countries have already complied with the U.S. demands because they want to safeguard their interests in exports to the United States. Japan, South Korea, and Taiwan, which have a stronger economy than Thailand, agreed to bend to U.S. demands. Thailand therefore should also take into account how to see that its long-term interests are unaffected.

Academics and politicians, meanwhile, stick to their original stance and want Thailand to remain adamant on the issue. For them, Thailand must not yield to U.S. demands because Thailand is not a U.S. colony. Such an attitude could develop into an explosive social and political issue.

We call upon all parties to be patient and to use reason in all discussions dealing with the issue. We must not resort to emotions or engage in useless quarrels since that would only ruin our national interests and its image as a nation—others could look at us as an underdeveloped country having no brain to think of a solution when there is a problem.

The problem of international trade is one of economy and we should tackle it from an economic point of view. There is no reason to argue about national honor or about being or not being a slave or a colony to another country. Such an attitude would only make it difficult for us to crack the problem. We hope the government will adopt a correct and sensible approach and make a decision that will safeguard the interests of the country and the people.

'Widening Conflict' Over Telephone Line Project

BK1805022691 Bangkok THE NATION in English 18 May 91 p A1

[Text] Assistant Army Commander in Chief Gen Chatchom Kanlong is to quit the board of directors of the Telephone Organization of Thailand (TOT) in what is seen as a widening conflict over the controversial three-million telephone line project, informed sources said yesterday.

The sources said Chatchom, who is closely linked to the National Peacekeeping Council (NPKC), submitted his resignation to Interior Minister Gen Itsaraphong Nunphakdi early this week.

If approved by Itsaraphong, who is chairman of the TOT board, Chatchom will also lose his post as chairman of the committee reviewing the Bt100 billion [baht] project.

Gen Chatchom last night declined to either confirm or deny his reported resignation. "It could be just a rumour," the general said on the phone.

But Gen Chatchom quickly added: "But I am thinking about resigning anyway. I have so much work to do but have so little time."

Chatchom reportedly has been frustrated by the delays in the project which was awarded by the previous government to the Charoen Phokphan (CP) Group but is now under review by the special committee. The committee had a one-month deadline to complete its reevaluation of the project. The deadline ended on Thursday.

It was not immediately known what prompted Chatchom to decide to quit. "But it is a known fact that Gen Chatchom does not see eye to eye with Transport and Communications Minister Nukun Prachuapmo," said one of the sources.

Nukun, who oversees TOT, has publicly denied any conflict with Chatchom and Deputy Communications Minister Gen Wirot Sangsanit over the phone project. The two generals are known to favour a quick review of the project and want the final decision to be made by the TOT board.

Nukun, who is known for being straightforward, has openly questioned CP's income offer from the project to the government, describing it as "unfair". He has insisted that the project and all the terms involved be subject to a thorough review to ensure that the government will get its maximum return.

Under the project, CP and its partner, British Telecom, were to install two million phone lines in Bangkok and another one million in the provinces. Nukun is also on the record as saying that the project should be submitted to the Cabinet after it is cleared by the Chatchom committee.

Chatchom was absent from a meeting of the TOT board on Thursday even though he was expected to brief its directors of the result of the project review by the committee.

Interior Minister Itsaraphong named Chatchom as head of the five-man review committee, replacing M.R. Chatumongkon Sonakun, director general of the Comptroller General Department, for reasons of "seniority". Chatumongkon, handpicked by Nukun to head the committee, remains one of the members.

Meanwhile, Prime Minister Anan Panyarachun is expected to call a high-powered meeting today to discuss the fate of the phone project. The sources said the meeting may make a decision on whether or not CP will get the project.

Aside from the premier, other top-level government officials, including deputy prime ministers and Minister Nukun, will attend the meeting. Members of the review committee will also be present.

While declining to say where the meeting will take place, a committee member noted that all the decision-making officials will be present, including Itsaraphong.

Sources said TOT had contemplated the possibility of investing in the project itself instead of awarding the concession to CP now that it seems difficult to resolve the income-sharing problem.

Anan, Suchinda Discuss 'Conflict'

BK1905024091 Bangkok BANGKOK POST in English 19 May 91 pp 1,3

[Text] The Transport and Communications Ministry may decide over the next two weeks whether or not to sign the 100-billion-baht telephone contract agreement with Charoen Pokphan (CP) group, a military source said yesterday.

The source said the decision on the multi-billion-baht contract would be speeded up by a report compiled by a study group which would be submitted to the board of the Telephone Organisation of Thailand (TOT) tomorrow.

The report, compiled by a study group headed by Assistant Army Chief Gen Chatchom Kanlong, would be submitted to Interior Minister Itsaraphong Nunphakdi, who is also board chairman of the TOT.

The source also revealed that Prime Minister Anan Panyarachun yesterday held a meeting with National Peacekeeping Council vice chairman and Army Chief Suchinda Khraprayun to discuss reports of a conflict within the study group.

Mr Anan was also apparently confused by reports that Gen Chatchom would resign from the group.

Mr Anan allegedly wanted to know the facts concerning these reports and did not want the issue to be plagued by conflict, the source said.

The Prime Minister and Gen Suchinda also discussed other issues apart from the telephone project, the source said.

"If the meeting was intended only to discuss the telephone project Gen Suchinda may not have taken part because he is not directly responsible for it," the source said.

Gen Chatchom's study group was given one month, expiring May 17, to provide a report on the contract with CP. The report would help the decision of Gen Itsaraphong and the TOT board, who will then forward it to the Transport and Communications Ministry for final approval.

The source said the TOT board and the ministry would decide whether or not to revise the draft contract or to renew negotiations with CP.

If the draft contract is considered fair and reasonable to both sides, the project would be carried out.

The project covers CP and British Telecom installing two million telephone lines in Bangkok and one million lines in the provinces.

Reports of a conflict and Gen Chatchom's planned resignation were not true, the source claimed.

Moreover, since most of the members of the study group are permanent officials from the National Economic and Social Development Board and Finance Ministry, there should be no conflict of opinion among them, the source added.

The source said the alleged conflict had nothing to do with a report by the World Bank which claimed that CP's offer was not the best the TOT could bargain for.

"If the World Bank had advice for the Government it should have given it from the beginning," the source commented.

"The military should not be accused of helping CP secure the project since the project was initiated by the previous government. The NPKC had nothing to do with it," the source said.

The source said military officers in the present government adhere to the principle of doing everything in the interests of the country.

However, the source said it was not known what had sparked speculation over the project's future.

The source said if the project was delayed then the cost would increase. Moreover, if the project was cancelled the Government might be sued which would make officials concerned responsible, the source said.

Suchinda Defends New Anti-Graft Law Proposal

BK1805061291 Bangkok BANGKOK POST in English 18 May 91 pp 1, 3

[Text] Army Chief Suchinda Khraprayun yesterday defended his proposal for a new anti-graft law which for the first time would pave the way for prosecution of people who offer bribes to government officials.

Gen Suchinda, responding to reservations expressed by National Legislative Assembly [NLA] chairman Ukrit Mongkonnawin, said the proposal was not meant to interfere with the power of the Counter Corruption Commission.

At Bang Pu Golf Course yesterday, Gen Suchinda said his proposal, if adopted, would not be a duplication of the Counter Corruption Act.

The Army chief said his proposal was aimed at enabling relevant authorities to extend the long arm of the law to reach persons who offered bribes. He said bribery was one of the main causes of corruption among government officials.

Gen Suchinda said his proposal was also aimed at empowering the authorities to take legal action against private businessmen who conspired and colluded during bidding contests for government contracts.

"What I am proposing is a solution to a problem which cannot be dealt with through the existing legal and judicial procedures," Gen Suchinda said.

The army chief said he did not know how people could disagree with his proposal when the full details had not been released.

"This anti-corruption law is something different from the Counter Corruption Commission's scope of responsibility," Gen Suchinda said.

The Army chief said his proposal, if made law, would not affect the status or interfere with the Counter Corruption Commission.

NLA Chairman Ukrit Mongkonmawin said on Thursday he did not see the need for a new anti-graft law because this area was already well covered by the Counter Corruption Commission.

He said the commission had been given sufficient legal powers to suppress corruption among government officials but suggested an amendment in the law to improve the commission's work and to ensure that it did not fall under the control of a faction or individual.

Mr. Ukrit's view was shared by former Democrat Party MP [Member of Parliament] Supatra Masdit, who said the Counter Corruption Commission was more than capable of handling anti-corruption work.

Commission spokesman, Pricha Suwannathat, said he welcomed Gen Suchinda's proposal but disagreed with any attempt to create a new government body to handle work under the responsibility of his agency.

National Peace-Keeping Council [NPKC] adviser Bunchana Athakon said yesterday the government advisory committee on politics, administration and legal affairs would consider drafting a new law against corruption as proposed by Gen Suchinda.

The proposal was handed to the advisory committee chaired by Somphop Hotrakit, Mr Bunchana said.

The committee would consider whether to draft a new law or amend the Counter Corruption Commission Act and other laws.

"Corruption is a major reason why the NPKC took power. So there should be a new law to deal with it," Mr Bunchana said.

The law against corruption should be expanded to include not only government officials but also businessmen and politicians to prevent price-fixing by companies involved in multi-million-baht projects, he said.

Mr Bunchana said there was no deadline on when the committee should finish its work.

Justice Minister Praphat Uaychai supported the proposal, saying it would pave the way for the punishment of corrupt government officials as well as those people offering bribes.

"To put it frankly, the proposal is a very good idea," said Mr Praphat.

The minister opposed amending existing laws against corruption because they had several loopholes.

The Counter Corruption Act fails to empower the Counter Corruption Commission (CCC) to prosecute wrongdoers, he said.

Under the present setup, the commission forwards its findings to the police and the public prosecutor, but these agencies usually failed to take action against the wrongdoers, he said.

"I used to be with the Counter Corruption Commission and I know well why people call it a paper tiger," Mr Praphat said.

The Counter Corruption Commission law should be amended to empower the agency to investigate and prosecute, he said.

He believed that most people would see the benefit of the new law, and that it would not interfere with the commission's authority, he said.

Government legal expert, Deputy Prime Minister Michai Ruchuphan, yesterday declined to comment on the proposal.

Deputy Prime Minister Pao Sarasin said it would help the Government's fight against corruption.

Over 100 Ex-MP's To Join New Aspiration Party

BK1905030091 Bangkok THE NATION in English 19 May 91 pp A1-2

[By Somphong Kittinaradon]

[Text] About 100 former MPs [members of parliament] and some 100 other "well-known professionials with outstanding achievements" have agreed to join the New Aspiration Party [NAP] which hopes to score a major victory in the next general election.

"If there are 360 House seats for the next polls, then we will field 360," said Sqd Ldr [Squadron Leader] Prasong Sunsiri in an exclusive interview with THE NATION.

Prasong, now the soul mate of NAP leader Gen Chawalit Yongchaiyut, is widely tipped by active NAP members to be the party's first secretary general.

After reviewing the latest recruitment and politcial situation, the former PM's [prime minister's] secretary general said he was confident that NAP would be able to sweep more than 100 seats in the House. Major gains would come from the Northeast and the South, followed by those in the North and the Central Regions, he said. For the capital, he added, the NAP will seek to deny a sweeping victory for the Palang Dharma Party.

He also said the party was also particularly selective in recruiting candidates to run in the polls in the capital.

"We attach equal importance to all provinces and constituencies but we must be careful in choosing candidates for Bangkok because Bangkokians have high political consciousness as they enjoy greater exposure to news about national politics and administration," he said.

Most of the NAP candidates for Bangkok would probably be composed of public figures who are recognized for their outstanding peformance in their chosen fields, he said.

He also contended against the common prediction that Palang Dharma of Bangkok Governor Maj Gen Chamlong will emerge as the No 1 party in the Bangkok election.

"People think so because they look at the votes of some 700,000 Maj Gen Chamlong garnered in the last election for Bangkok governor. But this is a national election and voters will base their judgements on different factors, including the candidates. They will be electing MPs, and not the Bangkok governor," he said.

He held out a bold prediction that NAP would gain at least half of about 36 House seats available in Bangkok.

Chamlong's reported aim is to win about 20 House seats from the election in the capital. His popularity in Bangkok is seen as a great asset but his party seems to face difficulties recruiting outstanding candidates. The Prachakon Thai Party, traditional rival of Palang Dharma in their competition for the hearts of Bangkokians, is in bad shape because its leader Samak Suntharawet is facing an investigation by the Assets Examination Committee on suspicion of having amassed "unusual wealth". But the strength of its bases in certain areas in Bangkok cannot be underestimated.

Prasong said many ex-MPs from almost all existing political parties have approached NAP to probe the possibility of their chance of standing in the polls under the NAP banner.

"All roads are leading to NAP," he said.

Prasong attributed this favourable situation to a number of factors, including the fact that "public interest is the aim of our party in gathering quality members and our firm stand against corrupt politicians particularly during the Feb 23 coup".

Many ex-MPs were also uncertain about the ability of a group which has been wooing politicians to join a party which purportedly plans to support a leader in the National Peacekeeping Council (NPKC) as the country's next prime minister, Prasong said.

"That group of people have claimed that the new party would support a military leader to try to attract politicians but the move has tarnished his image, prompting him to deny any link with the new party and made many politicians unsure about the ability and future of the planned party," he said.

Apart from about 100 ex-MPs who had approached NAP, the party has also courted recognized professionals with outstanding achievements in their careers. So far, about 100 such public figures have agreed to join the party and run in the next polls, he added.

They include bankers, businessmen, leading farmers, academics and former bureaucrats, he added.

Referring to the approaches made by ex-MPs, Prasong said: "We welcome them but it would depend on the party's executive committee to decide who will be candidates in what constituencies. Even I cannot say whether I will be picked as one of the candidates," said Prasong, apparently referring to reports that he would lead the team of NAP candidates in the battle for Bangkok.

He said the party was making preparations for its first assembly to elect the executive committee. The caucus is expected to take place within two months, he added.

Prasong refused to name the politicians and professionals recruited by the party who may run in the next polls.

The NAP's key member emphasized the necessity for the NPKC to hold the election according to the schedule set by the provisional constitution—by the year end if possible or before the end of April if necessary.

But I am concerned about the slow progress made by the charter drafting committee which has taken months just to reaffirm the minor points in the previous Constitution, such as the question of who should be Parliament president."

Besides, the draft proposed by the committee may not sail smoothly through the military-dominated National Assembly, he said.

"If the National Assembly rewrites the draft extensively, it may provoke a public outcry leading to a political problem. This may be compounded by another political tension if annual military and government reshuffles are not properly conducted," he said, indicating the possibility of a political crisis for the NPKC.

Asked about his party's relations with the NPKC leaders, Prasong said that Chawalit and the military leaders were of different nature.

"The NPKC leaders seized power from the previous government to solve what they saw and identified as five major national problems in the statement they released after the coup. But Gen Chawalit has resigned from the military establishment to build a political party and play in politics according to parliamentary rules. They are treading different paths.

"Of course, we have differences in our approaches and perceptions and the party leader has made clear his positions in a five-point proposal which he submitted to the NPKC a few months ago. But that is not a serious split," he pointed out.

After all, Gen Chawalit fought as a "comrade-in-arms" with the present military leaders when he was in the military and despite differences, they are still close friends.

"Gen Chawalit still has affection for the NPKC leaders because they were brought up together in the closely knit military establishment. He does not want the NPKC leaders to make a blunder which would damage their image," Prasong said.

Chawalit-Suchinda Relationship Analyzed

BK1905041491 Bangkok THE NATION in English 19 May 91 p B1

[By Somphong Kittinaradon]

[Text] When reporters asked army chief Gen Suchinda Khrapayun on Wednesday about the future of the National

Peacekeeping Council (NPKC), the most powerful military officer in Thailand replied jokingly: "Who said we (NPKC leaders) cannot climb off the back of the tiger. I will show you that I can get off its back and kick it."

The deputy NPKC chairman's answer drew laughter from his army predecessor, New Aspiration Party [NAP] leader Gen Chawalit Yongchaiyut.

Chawalit at that time was busy receiving more than 1,000 visitors at his Tiwanont road residence who had come to wish him a happy 59th birthday. The vistors included topbrass military officers led by Suchinda and Defence Minister Adm Praphat Kritsanachan, about 50 former MPs [Member of Parliament] from various parties and top-ranking government officials.

Suchinda's joke probably was not the only inspiration for Chawalit's laughter. The NAP leader probably was cheered by Suchinda's veiled suggestion that the NPKC would respond to his call to "restore democracy" by relinquishing power and calling for a general election as soon as possible.

The army commander-in-chief also offered Chawalit another eliptical, but no less meaningful, birthday blessing: "I wish the thing which you hope for will come true, that you will really become the new hope."

This blessing made in the presence of reporters and other luminaries, coupled with his appearance at Chawalit's birthday gathering, was seen to carry a significant political message.

Veiled intentions?

Despite Chawalit's recent denials of aspiring to the office of prime minister, many political observers believe he wants nothing more than to become Thailand's leaders after the next general election.

Suchinda's blessing can therefore be seen in this light:

Informed sources told THE NATION that Suchinda privately assured the NAP leader that as long as he is army chief, he will never "betray" his former boss by accepting the chance to become prime minister. Suchinda has two more years to go before reaching the mandatory retirement age of 60.

Coincidentially, Suchinda offered his veiled support for Chawalit's political ambitions the same day veteran politician M.R. Khukrit Pramot repeated in his Soi Suanplu column in the SIAM RAT newspaper his preference for Suchinda as the next prime minister.

It could be that Suchinda's blessing to Chawalit was a response to Khukrit's comment. If this is the case, then the army chief showed concern about the possible divisive impacts of the article on his relationship with his predecessor.

Some analysts however think Suchinda does not want to become an easy target of politicians for being tipped as a front runner in the race for premiership.

In any case, Suchinda's blessing fits into the context of his "kick the tiger" joke. In recent weeks, some of the more skeptical political analysts have toyed with the bold theory that NPKC leaders will find it difficult to give up the power they seized in the Feb 23 coup from former premier Gen Chatchai Chunhawan.

This power must be relinquished when polls are held in the first quarter next year under the deadline set by the provisional Constitution.

"The military cannot give up political power now that it has antagonized ex-politicians by ousting them from power and by the harsh action taken by investigating certain ex-Cabinet members on allegations of acquiring unusual wealth," said one Chat Thai Party analyst.

"The coup was a complete success from the military point of view but in terms of politics, military leaders have only mowed the lawn and not completely destroyed the grass," the analyst said.

Playing the cards

The analyst said the NPKC leaders will need to retain power, in some form, after its term expires under the constitution. In other words, the analyst expects that the NPKC will find some way to stay "on the back of the tiger" for as long as possible.

"The question is how," he said. "Now they have two cards to play. One is to keep their political influence through the Senate and the other is to stage another coup to prolong their stay in power."

Under the first scenario, Senate support for Suchinda must be supplemented by additional support from members of the House of Representatives. Those who subscribe to this thinking point to the moves by former air force officer Sqn Ldr [Squadron Leader] Thiti Nakontap and former army officer Lt Gen Kasem Kraisan to form pro-Suchinda political parties. Thiti seems to be more determined to launch his new party, to be called Samakkhitham, than Lt Gen Kasem.

But retaining military power through the legislature could be tricky especially as the possibility of a new constitution giving the Senate power to nominate the prime minister has come under fire from politicians.

Moreover, Titi's planned party is beset by several major weaknesses which could block its prospects of emerging as a major political party in the next general election. These weaknesses include questions about the credibility of the party's potential leaders and its ad hoc nature, which has kept it from establishing strong grassroots support in the provinces.

Instead the party's chances of succeeding will depend on the strength of individual candidates. The party's strategists hope the impression they have been generating that the party will sponsor a military leader's bid to become the next prime minister will help attract support from former MPs.

But another Chat Thai analyst said this strategy could backfire.

"Any party which identifies itself with the military establishment is expected to draw attack from others that do not," he said.

"The easiest campaign target for candidates in most parties will be the NPKC. After the polls, most parties will not be comfortable joining hands with a party believed by the public to be a broker of the military."

He added: "What if Pol [Police] Gen Praman (who is tipped to succeed Gen Chatchai Chunhawan as Chat Thai leader) calls a meeting of leaders of all parties and says everyone should support Chuan (Democrat leader) as the next prime minister, ostracizing any pro-military parties?"

Therefore Suchinda may find it wise to deny any link with Titi and Kasem because he would otherwise come under attack for the appearance that he is seeking power.

"Does Titi have the secret support of Suchinda?" one senior politician asked.

But other senior analysts said this is not really the issue.

"The issue is whether Titi's party can become a political powerhouse to reckon with after the polls," one analyst said. "As it stands now, it will be difficult for the party to achieve its political aim to become the core of the next coalition government and if and when that presumption has become clear, there is no point in Suchinda considering the option."

The third option

If Suchinda's gesture of support for Chawalit last week is any political barometer of his latest assessment of the political situation, then the army chief appears to be shifting weight to a third option to not have the NPKC retain power overtly.

At least, he seems to be keeping this option open by maintaining his "moral link" with the NAP leader by offering his birthday blessing and vow that he will get "off the tiger's back."

Suchinda's expression of moral support for Chawalit came as chances grow for the NAP to win sizeable gains in the next election. Longer established parties have been thrown into varying degrees of disarray by leadership problems in the wake of the Feb 23 coup. The NAP has responded to this situation by stepping up efforts to recruit disgruntled MPs from these parties.

As a result, NAP strategists have revised previous estimates from winning 80-100 House seats to winning somewhere between 120 and 150 seats.

Aware of the possibility that other parties may form alliances to push the NAP into the opposition, even if it emerges the largest party, Chawalit has repeatedly stated that he considers other parties his friends, not his enemies. He also has distanced himself from the military since the coup by vocally challenging the NPKC and urging it to stick to the path of "returning democracy to the people" as soon as possible.

Against this backdrop, Suchinda has kicked off a move for the government to propose a new tough anti-graft law which will regulate not only bureaucrats but also politicians.

Politically, the move can be seen as a way to prepare for NPKC leaders to make a "graceful exit" if their assets examining committee chaired by Gen Sit Chirarot fails to achieve its goal of forcing six to eight leading politicians to prove they acquired their assets legally.

If Sit's committee fails, the NPKC leaders fear the public will see as insincere their pronouncement during the coup to uproot "parliamentary dictatorship."

"That public perception could make it difficult for the NPKC to step down from power unless it can show it has introduced new effective measure to solve what they told the public was a serious national problem," one analyst said.

Pramuan 'May Leave' Chat Thai Party

BK1105034091 Bangkok THE NATION in English 11 May 91 p A4

[By Sumit Hanpanyaphichit, Piyanat Siwaro]

[Text] Ex-industry minister Pramuan Saphawasu yesterday held out the possibility that he may leave Chat Thai Party to form a new party, touching off speculation that he was bargaining for a key Chat Thai executive post.

"If I am not welcome in Chat Thai or if the house (the party) has been damaged beyond repair, then I may set up a new party," he told reporters after showing up at the office of the Counter Courruption Commission [CCC] in response to the recent announcement by a military-appointed committee that he is among the four former Cabinet members with "unusual wealth".

Pramuan met Gen Sit Chirarot, who chairs the committee investigating the assets of 25 politicians, at the CCC office only to be told that he did not have to report to the panel personally.

Gen Sit told the deputy Chat Thai leader the committee would notify Pramuan on the date he should appear before the panel to explain his "unusual wealth".

"I came over here because I am unhappy with the announcement which tarnished the reputation I have built up during the past 46 years. I told the subcommittee of the Sit Committee that the reports about me holding tens of thousands of rai in Ayuthaya and Mabtaput areas are untrue," he said.

Pramuan said he could disprove the reports that he purchased the land when he was industry minister. "I don't have a single square inch of land there," he added.

He said he asked the committee to permit him to withdraw funds for his children's education.

Asked about his political future, Pramuan affirmed that he was still healthy enough to continue with his political career.

"I am physically fit and daily, some 10-20 MPs [members of parliament] visit my residence for informal talks," he said, suggesting that he still had a significant following of former MPs.

Pramuan had earlier this week told THE NATION that he would first consider helping to restore the Chat Thai Party's shattered image before probing the possibilities of leaving it.

Yesterday he said: "If the house is beyond repair or some of those in the house do not want me to help restore it, then I will set up my own party. But I have not made up my mind yet."

Pramuan confirmed reports that former premier Gen Chatchai Chunhawan would soon return from London where he has been staying.

"Indeed, I intend to fly to London to visit him. After all he is still our boss because he has not formally resigned from the top party post," the deputy leaders said.

Known to be close to Chat Thai advisory chairman Pol [Police] Gen Praman Adireksan, tipped to be a strong candidate to succeed Chatchai, Pramuan, however, has not been on speaking terms with secretary general Banhan Sinlapa-acha, who is the only Chat Thai figure whose influence can match Praman's.

If Praman is elected Chat Thai leader, the major question to be resolved is who will hold the powerful post of secretary general. Banhan said on Thursday night he was determined to stay on in Chat Thai, indicating that he would fight to retain his position. In the meantime, there has been speculation that former deputy interior minister Sano Thianthong also hopes to become secretary general while Pramuan is certainly not out of the race for the same post, at least for now.

Pramuan was conspicuously absent from the 50th wedding anniversary gala dinner hosted by Praman at Panthip Plaza restaurant on Thursday night. The other absentee was Praman's nephew, former PM's [prime minister's] Office minister Kon Thappharangsi.

The other leading Chat Thai members, including Banhan, Sano and senior deputy leader Sa-at Piyawan, attended the event.

At the dinner, Sano told reporters that the Chat Thai Party should organize a meeting immediately after the new legislations scrapping the bans on political gatherings and activities take effect this month. The party meeting, he said, will elect the new party leader and Praman's odds to get elected is "90 percent", said Sano, known to be a staunch supporter of the party's advisory chairman.

Chatchai's wife, Thanpuying Bunruen, answering a question on Chatchai's possible return to attend the party meeting on Thursday night, refused to confirm or deny the reports.

"Will he be given any (party) position if he returns?," Bunruen said.

Vietnam

General, Admiral, Soldiers Inspect Spratlys

BK1905125491 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 19 May 91

[Text] In accordance with a Ministry of National Defense directive, a cadre delegation of the General Political Department and the General Logistics Department from 2 to 8 May visited and completely inspected the southern island group of the Spratly Archipelago. The delegation was led by Colonel General Dang Vu Hiep, vice chairman of the General Political Department. Escorting the delegation were Rear Admiral Le Van Xuan, political deputy commander-in-chief of the Navy Armed Force, some cadres of Navy Area N, and the Truong Sa Corps. The Art Troupe of Military Region Two, which was led by songwriter Thuan Yen also visited and performed for soldiers at the islands.

Article Views Potential for Relations With U.S.

BK2105045091 Hanoi Voice of Vietnam in English 1000 GMT 20 May 91

["Radio Opinion"]

[Text] Washington's refusal to normalize relations with Vietnam is unacceptable because more countries are actively promoting their relations, especially economic ties, with Vietnam. [words indistinct] their dealing with U.S.-Vietnamese relations, the American public, force the U.S. Administration to answer their questions: When will the U.S. normalize relations with Vietnam and lift its trade embargo? The Chicago Forum said: The U.S. policy toward Vietnam is tough and inflexible. Analyzing the time for normalization of U.S.-Vietnam relations, almost all American newspapers said: Now it is the suitable time for Washington to lift its trade embargo against Vietnam and normalize relations with Vietnam.

THE CHRISTIAN SCIENCE MONITOR said in its recent issue that the normalization of U.S.-Vietnam relations is beneficial to both countries politically, economically, and geographically. The normalization of relations will reduce U.S. losses in their business due to the trade embargo which has lasted for 16 years. It will help the U.S. to have a chance to take part in the new balance of forces in the region. The newspaper said: There is no reason for the White House to delay the normalization of relations with Vietnam. The Chicago newspaper said the U.S. had laid conditions for the normalization of the U.S.-Vietnam relations, that was, the complete withdrawal of Vietnamese troops from Cambodia. Vietnam has pulled out all its troops from Cambodia so that condition has been met. Furthermore, Vietnam is now having broad relations with many countries.

THE CHRISTIAN SCIENCE MONITOR said the economic and political renovation have helped Vietnam merge into the world economy. Vietnam has become an exporter of rice, rubber, pork, garments, and coffee. The new policy and law on foreign investment in Vietnam is one of the most free laws in Asia which has brought about attractive opportunities for trade and investment.

This year will show that Vietnam may become a new attractive investment market and Vietnam may become an economic miracle in Asia. With this development, the U.S. public affirmed that their desire for normalization of U.S.-Vietnam relations is legitimate. The sending of $1 million as humanitarian aid to Vietnam and the setting up of a U.S. office in Vietnam are positive acts, but to the American public these are only short steps. They want the U.S. Administration to take a long step to normalize relations with Vietnam. For this reason, in May this year, American newspapers ran this headline saying: Bush administration should normalize relations with Vietnam.

Le Tho Interviewed on Indochinese Refugee Issue

BK2105105391 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 18 May 91

[Interview with Le Tho, chief delegate to the Fourth Conference of the Operation Committee for Indochinese Refugees held in Geneva on 30 April-1 May, by station correspondent; place and date of interview not given—recorded]

[Text] [Station correspondent] Dear comrade, we know that the numbers of refugees in Hong Kong who volunteered to repatriate were much smaller in March and April than in previous months. The reason was that the refugees were waiting with some hope for the results of the Fourth Conference of the Operation Committee for Indochinese Refugees [OCIR] which was held in Geneva on 30 April and 1 May. You attended this conference so would you tell us whether the refugees should have some reasons for hope ?

[Le Tho] The number of refugees who volunteered to repatriate has decreased significantly over the past two months. This was due to many causes. The most important was that the Vietnamese refugees in Hong Kong were waiting for the results of the fourth conference held on 30 April and 1 May in Geneva to decide on the refugee issue. This opened a new possibility that the countries' policies would change in regard to (?granting aid). Yet, this hope is in fact totally unjustified because the fourth conference of the OCIR released a joint communique setting guidelines for its future action plan. One article stipulates that countries of first asylum and countries accepting refugees for resettlement must reaffirm their cutoff dates for classifying refugees without any change, for example, Hong Kong still uses 15 June 1988 and the ASEAN countries still use 14 March 1989 as cutoff dates. So all the refugees who came to these countries after these cutoff dates must be screened by these countries and only those who are recognized as refugees by them can hope that third countries will consider and accept them for resettlement. Those who are not recognized as refugees will have to return to their countries and when repatriated, they will be given international aid to resettle and reintegrate with the local people.

[Station correspondent] So, according to you, the illegal emigrants from Vietnam should volunteer for repatriation. By the way, we would like to ask you to generally reiterate the major policies and guidelines of our state toward those who volunteer to repatriate.

[Le Tho] As regards those who have already left illegally and now want to repatriate, the Vietnamese Government has always consistently applied its humanitarian policy and will accept voluntary repatriates. Based on the real situation and continuing to apply its humanitarian policy, the Vietnamese Government has recently agreed bilaterally with the British Government in Hong Kong that the Vietnamese side will receive in addition to voluntary repatriates those who do not oppose repatriation even though they have not been rejected in the screening process. This repatriation program is financially supported by the international community and supervised by the UN High Commission for Refugees [UNHCR]. This firmly guarantees that there will not be any forced repatriation. The Vietanmese Government is ready to discuss and reach bilateral agreement with other countries on the repatriation program already agreed upon with Great Britain and Hong Kong. On this point, I would like to add that we do not stop here, but continue to study possibilities for more satisfactory solutions with a desire to basically and more comprehensively solve this problem. However, no matter what agreement is reached on the organization and form of repatriation, the set principles must always be ensured and that is that there will be no forced repatriation in any form. The repatriation must follow an orderly program with the financial support of the international community and the UNHCR providing supervision. We can also assert that the Vietnamese Government has thus far always implemented a humanitarian policy toward repatriates and our humanitarian treatment has been confirmed and reported by the UNHCR at the recent fourth conference of the OCIR in Geneva.

[Station correspondent] Dear comrade, we know that by the end of 1990 nobody left Haiphong and Quang Ninh illegally. However, in the past two months, many people said the number of refugees in Hong Kong from these two localities increased. It has been reported that those refugees believed a rumor saying that Vietnamese refugees in Hong Kong transit camps would be sent to work in Kuwait and foreign ships would come to the Eastern Sea to pick up boat refugees and send them directly to Kuwait. Could you tell us whether the rumor is true?

[Le Tho] Regarding such a false rumor, at the Fourth Conference of the OCIR in Geneva, many delegates from countries voiced concern over this situation that stemmed from information abroad which was introduced into Vietnam specifically by refugees in Hong Kong transit camps, who wrote to their relatives back home. We know that last year our government implemented correct policies toward illegal emigrants. As our mass information media work in coordination with the UNHCR and other countries and have obtained good results, the number of illegal emigrants has definitely decreased. As a result, if we do not clear up the above situation, many people in our country will still leave illegally with the hope of being resettled in third countries to earn their living abroad. The above rumor in fact has resulted from some foreigners' views but in fact, it will certainly not be accepted internationally. So, it would be a mistake for anyone to believe the rumors and depart illegally. To make the people clearly understand false rumors, as far as we know, the authorities in Haiphong and Quang Ninh have issued a communique to reject false rumors causing illegal emigrants to have illusions.

[Station correspondent] Dear comrade, you have just mentioned the situation of illegal emigrants, but what are the policies of our state toward legal emigrants?

[Le Tho] Our government has always proceeded from the legitimate interests and aspirations of the people to resolve all problems. As regards those who want to go abroad for family reunions or other humanitarian reasons, they must first of all submit an application for legal emigration under the Orderly Departure Program—that is called ODP—in which Vietnam has cooperated and is cooperating positively with the UNHCR, the World Migration Organization, and other concerned countries to carry out the program effectively. This program has expanded ever more broadly, is very relevant to the humanitarian spirit, and has been praised by the international public due to Vietnam's goodwill and positive cooperation. For example, from 1980 through 1990, we allowed 252,760 people to legally emigrate to all countries. In 1987, we allowed only 12,961 people to legally emigrate to countries. This figure increased to 57,300 in 1990. In 1991, we continue to expand the Orderly Departure Program and will issue visas to hundreds of thousands of people for legal departure.

Meanwhile, we also agreed with the U.S. side to implement a program for granting visas to those who have long served in reeducation camps to go to the United States under what is called the HO [Humanitarian Operation] program and to those emigrants under the program for Amerasian children. From January 1990 to February 1991, we allowed 17,621 people to emigrate under the HO program and from October 1987 through 1990, we allowed 19,677 Amerasian children and citizens to emigrate.

Moreover, to broadly develop commerce at home and abroad, our government has also extended the policy of allowing overseas Vietnamese to return home to visit their native places and relatives and has also authorized people in this country to go abroad to visit their relatives. As for sea evasion or those illegally departing by boat, it is too adventurous and has resulted in untold tragedies of drowning and barbarous killing and rape by sea pirates.

With respect to those authorized voluntary repatriates ready to return home from abroad, the recent Fourth Conference of the OCIR in Geneva also mentioned that when these people return home, they still can apply to go abroad under ODP in accordance with the prescribed procedures and criteria of this program.

[Station correspondent] Thank you, comrade.

Cambodia Embassy Marks 'Hatred' of Genocide Day

BK2105065491 Hanoi Voice of Vietnam in English 1000 GMT 20 May 91

[Text] A Cambodian diplomat in Vietnam said that the Cambodian Government profusely protests against the draft proposal made by the five members of the United Nations Security Council which demands the dissolution of the Phnom Penh government Armed Forces while failing to take measures against the possible Khmer Rouge comeback to Cambodia. Mr Eat-li Heng, Cambodian charge d'affaires to Hanoi, was speaking at a meeting occasioned by the National Day of Hatred Against Genocidal Crimes, May 20.

After recalling the genocidal practices committed by the Pol Pot-Ieng Sary clique during the years they were in power, Mr Eat-li Heng noted that the Khmer Rouge continue to resort to military means to overthrow the existing government in Cambodia because they know they cannot win in a general election.

Television Reviews Do Muoi's USSR Visit

BK1805151191 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 17 May 91

[Report on visit by SRV Premier Do Muoi to the USSR 5-9 May—narrated by announcer]

[Text] As has been reported, at the invitation of the USSR Cabinet, Comrade Do Muoi, chairman of the Vietnamese Council of Ministers, paid a working visit to the Soviet Union from 5-9 May 1991. He was accompanied by Vice-Chairman of the Council of Ministers Tran Duc Luong, head of the State Planning Commission Phan Van Khai, and several other comrades.

Chairman Do Muoi was greeted on arrival at the Sheremetyevo II airport by Soviet Deputy Premier Fedor Petrovich Senko, head of the Far Eastern and Indochinese Countries Department Sergey Razov, and many others. Also present on the Vietnamese side were Comrade Nguyen Manh Cam, member of the Communist Party of Vietnam [CPV] Central Committee and Vietnamese ambassador to the Soviet Union, and a large number of the Vietnamese Embassy staff members.

Upon his arrival in Moscow, Chairman Do Muoi paid a floral tribute to Vladimir Ilyich Lenin, a genius of the world communist and worker movement, at the Lenin monument. His wreath bore the following inscription: Tribute to Great Lenin.

Blending with the general ambience of the Soviet people as they were celebrating the 9 May anniversary of the victory over fascism, Chairman Do Muoi laid a wreath at the Tomb of the Unknown Soldier built against the wall of the Kremlin palace. His wreath bore the following inscription: Eternally Grateful to the Soviet Fighters for Having Sacrified Themselves for the Soviet State and the Freedom of Mankind.

Chairman Do Muoi also went to Ho Chi Minh Square to place a basket of flowers in memory of Uncle Ho, a national hero credited with spreading Marxism-Leninism, founding the CPV, and leading our people in the struggle for freedom and independence in the advance along the socialist path. He was one of the most oustanding communist fighters of the world communist and worker movement, a great friend of the Soviet people, and a disciple of great Lenin.

Comrade Gorbachev, president of the Soviet Union and general secretary of the CPSU Central Committee, received Chairman Do Muoi at the Kremlin Palace on 7 May. Comrade Gorbachev hailed the initial, important achievements scored by our people in the renovation undertaking and sincerely wished our people new, still-greater successes.

Comrade Do Muoi expressed the strong backing given by our party, government, and people to the Soviet efforts to stabilize the situation, consolidate and strengthen the CPSU's leading role, keep the Soviet Union together, maintain restructuring, and gradually tide the country over the crisis so it continues to grow. He was convinced that the fraternal Soviet people will definitely overcome all difficulties and ordeals in continuing to move forward along the socialist path in the interests of peace, national independence, democracy, and social development and progress.

Comrade Do Muoi and Comrade Gorbachev highly valued the fine traditional relations between the two countries and affirmed their determination to consolidate, develop, and increase the efficiency of the all-round cooperation between Vietnam and the Soviet Union.

Also at the Kremlin, during his meeting with Supreme Soviet President Lukyanov, Council of Ministers Chairman Do Muoi and Comrade Lukyanov noted with satisfaction that the all-round friendly and cooperative relations between Vietnam and the Soviet Union had been constantly consolidated on new foundations and expressed their determination to continue to renovate and develop these friendly traditional relations.

The two comrades highly valued efforts to develop the cooperative relations between the legislative organs of the two countries and hailed the results of the recent official friendship visit to the Soviet Union of a Vietnamese National Assembly delegation led by its Chairman Le Quang Dao. The two comrades expressed their desire to see the friendly Vietnam-USSR relations, notably in economics and trade, continuing to be renovated and achieving better results in the new phase in the interests of the two peoples.

Amid an atmosphere of mutual understanding and close comradeship at the talks between Chairman Do Muoi and Prime Minister Valentin Pavlov, the two sides held in-depth discussions over the cooperative situation between Vietnam and the Soviet Union. They shared the view that there will be great prospects for the cooperation between the two countries.

Chairman Do Muoi and Prime Minister Pavlov emphatically said: Positive changes for the better in economic and trade relations, as seen in Vietnam's increased supply of goods to the Soviet Union, have created conditions for building up economic relations between the two countries. Generally speaking, this has been carried out on an equal and mutually beneficial basis.

Chairman Do Muoi and Prime Minister Pavlov affirmed the important significance of those government-level agreements signed in January 1991 on economic and trade cooperation for 1991 and on the shifting of the economic and trade relations to a new mechanism. They discussed specific measures to be taken to ensure implementation of these agreements.

Chairman Do Muoi and Prime Minister Pavlov agreed to accelerate the renovation of joint mechanisms for economic and trade activities in order to create favorable conditions for promoting economic development between Vietnam and various Soviet republics and developing direct economic and trade relations between Vietnamese and Soviet organizations.

The two sides also discussed the question of resolving debts owed by Vietnam to the Soviet Union and the many targeted programs of cooperation covering Vietnam's supplying the Soviet Union with grain and foodstuffs and other traditional exports.

Chairman Do Muoi and Prime Minister Pavlov discussed and agreed on various economic and trade issues as well as various international matters of mutual concern.

During his working visit to the Soviet Union, Council of Ministers Chairman Do Muoi visited a number of economic and trade establishments in Moscow.

At the (?Passager) General Trading Corporation, one of the major commercial centers in Moscow, Comrade (Mechankin Anatoliy Ivanovich), director of the corporation, guided Comrade Do Muoi on a tour of various storefronts and stores involved in joint ventures with foreign countries. Chairman Do Muoi had cordial talks with the comrades of the board of directors and various sale personnel. The comrade showed his interest in the renovation of joint business ventures and those measures for joint ventures with foreign countries implemented by the corporation and aimed at exploiting to the fullest all the strengths of one of the largest commercial centers in Moscow.

Comrade (Mechankin) gave Chairman Do Muoi a briefing. He said: As a result of the current general difficult situation in the Soviet Union, goods are still scarce. However, various stores have been repaired and have started entering into joint ventures with a number of foreign trade corporations. The comrade expressed his desire to establish direct trade relations with Vietnamese trading corporations in order to introduce and sell Vietnamese goods to Soviet consumers on a mutually beneficial basis.

At the Gorky-II chicken breeding state farm, one of the centers that supplies eggs for the Moscow area, Mr. (Cherkasov), director of the farm, briefed Chairman Do

Muoi on the situation regarding the production and business of the farm and invited the chairman to visit an egg-laying chicken breeding section and living quarters for worker families.

Like many other state farms, the Gorky-II state farm, though with a large material-technical facility and nearly 1,000 workers, is experiencing difficulties under the current phase of restructuring. Although having adopted a market economic system, the farm's old mechanism is still in place, and it is because of an absence of incentives that the farm's production output is limited. Its latent potential in land and equipment have yet to be fully exploited and its workers' lives are beset with difficulties.

Informally chatting with the leaders and workers of the farm, Chairman Do Muoi told them about a number of new policies adopted by Vietnam in the cause of renovating its socioeconomic sector, especially its contract system in agriculture. According to him, thanks to structural renovation, Vietnam's economy is stable and on a developmental trend. Chairman Do Muoi expressed hope that in the coming period the Gorky-II state farm as well as other industrial and agricultural production establishments of the Soviet Union will promptly acquire and adjust themselves to the new mechanism, stabilize production, and improve the welfare of the laboring people.

On behalf of the state farm staff, Mr. (Cherkasov), its director, thanked Chairman Do Muoi for his visit and for having passed on his valuable experience.

During his working visit to the Soviet Union, Chairman Do Muoi met and chatted with all the cadres and staff personnel of the Vietnamese Embassy in the Soviet Union as well as with the cadres of other offices representing our country in the Soviet Union.

After hearing Comrade Nguyen Manh Cam, Vietnamese ambassador, brief him on activities of various offices in implementing those missions assigned to them by the party and the state, Chairman Do Muoi listened to the views of a number of cadres now working in the Soviet Union.

Addressing these people, Chairman Do Muoi hailed the determination of all Vietnamese cadres, workers, students, and trainees now living in the Soviet Union to overcome difficulties in fulfilling their assigned missions. Chairman Do Muoi urged them to continue to develop their country's revolutionary tradition by remaining self-reliant; overcoming difficulties; devoting their utmost efforts to their work and study so they can join the people at home in achieving national progress and soecioeconomic stability and development; and contributing to strengthening the friendship and all-round cooperation with the Soviet Union in accordance with the consistent policy of our party and state.

Chairman Do Muoi left Moscow on 9 May, winding up his working visit to the Soviet Union.

Seeing the chairman off at the Sheremetyevo II aiport were Comrade Fedor Petrovich Senko, Soviet deputy prime minister; Khamidouline, Soviet ambassador to Vietnam; Nguyen Manh Cam, Vietnamese ambassador to the Soviet Union; and a large number of Vietnamese Embassy staff personnel.

The above working visit of Council of Ministers Chairman Do Muoi has contributed to continually consolidating the friendship between Vietnam and the Soviet Union. This is an important step toward perfecting various forms and measures governing the cooperation between Vietnam and the Soviet Union in economics as well as in other fields of activity.

We are determined to strive to honor all our commitments to the Soviet Union and constantly improve the effectiveness of the Vietnam-USSR cooperation in the interests of our renovation undertaking. This will also serve as our small contribution to easing the difficulties now encountered by our fraternal Soviet people.

With all of our hearts, we hope the Soviet people will promptly overcome all difficulties, tiding themselves over the crisis, and continue to develop along the path charted by the Great October Revolution.

Decision Issued on Import of Foreign Currencies

BK2105041291 Hanoi Voice of Vietnam Network in Vietnamese 1000 GMT 20 May 91

[From the 20 May "Press Review"]

[Text] On page one, various papers carry the contents of the Council of Ministers' decision amending and supplementing the policy on goods imported for noncommercial purposes and foreign currencies carried by returning Vietnamese or sent home by Vietnamese working or studying abroad.

The decision says in part as follows: Vietnamese working abroad under labor or specialist cooperation schemes with foreign countries, and those studying or on official mission overseas, may bring with them when they return, or send home, unlimited quantities of foreign currencies, gold, silver, and precious stones. When using these valuables, they must abide by the current regulations on foreign currency, gold, silver, and precious stones management, and must strictly follow the procedures of customs declaration, control, and supervision. Customs procedures must be performed in an expeditious and convenient fashion to ensure prevention of abuses and unlawful acts of trading while guarding against all troublesome and negative practices. This decision comes into effect as of 20 May 1991.

Seminar on Capital Markets, Stock Companies

BK2005070191 Hanoi VNA in English 0559 GMT 20 May 91

[Text] Hanoi VNA May 20—A seminar entitled 'Capital Markets and Stock Companies' was jointly sponsored in the central province of Quang Nam-Da Nang on May 16-17 by the Da Nang Polytechnic and the Credit Lyonnais Securities (Asia) Ltd. of France.

It was attended by 120 representatives of the central level offices based in central Vietnam and various local organizations of the provinces of Quang Tri, Thua Thien-Hue, Quang Nam-Danang, Quang Ngai and Binh Dinh. Some 100 students of the Danang Polytechnic also attended.

The participants exchanged views on matters related to new management, joint venture investment, stock investment and the present and future situation of stock companies. Lawyer Nalji Lem En, an expert of Credit Lyonais, gave a lecture on the issues of capital markets and stock companies.

This was the third seminar of its kind held in Vietnam and the first one in central Vietnam. The two previous seminars had been respectively organized in the capital city of Hanoi and Ho Chi Minh City.

Nguyen Van Linh Greets German Communists

BK2005125091 Hanoi VNA in English 1223 GMT 20 May 91

[Text] Hanoi VNA May 20—General secretary of the Communist Party of Vietmam today sent a message of congratulations to Heinz Stain, Anne Fronnweiler, Helga Rosenberg and Rolf Priemer, on the re-elections as co-spokespersons of the German Communist Party (DKP).

The message wishes for the constant consolidation and development of the solidarity and friendship between the two parties.

Conference Held on Anticorruption Drive

BK1705091591 Hanoi VNA in English 0626 GMT 17 May 91

[Text] Hanoi VNA May 17—In the ten months up to the end of March this year, 3,134 corruption cases were exposed, of which 2,364 were prosecuted. These include 590 brought to trial of which 29 were given prison sentences ranging from 10 to 20 years, four receved life sentences and one death penalty, 770 other cases were subjected to adminstrative sanctions.

This was reported at a conference held here from May 15-16 to review the implementation of a decision issued by the Council of Ministers on June 26 last year on the promotion of the fight against corruption and smuggling.

It was also reported at the conference that of nearly 5,900 persons convicted of corruption in the past ten months nearly 5,000 were officials and employees of the state offices or collective units.

Also in the anti-corruption campaign, 55,710 million dong, nearly 953,000 dollars, 8,430 tons of paddy and 1,587 taels of gold were retrieved. Several major cases are being investigated and legal proceedings are under way to try them in the near future.

It was also reported that initial results have been achieved in the fight against smuggling through cross-border trade. Along the northern border the main goods smuggled out are bronze, aluminum, iron, lead, and manganese while on the southwestern border they are dollars and gold while those smuggled in are mostly foreign cigarettes, motorcylces and luxury goods. At the airports, most of the goods smuggled out are antiques, precious stones and gold.

Premier Do Muoi Visits Textile Factories

BK2005071291 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 23 Apr 91

[Summary] On 21 April, Comrade Do Muoi, chairman of the Council of ministers, paid a working visit to the Dong Xuan knitware factory, the Hanoi yarn factory, and the 8 March textile factory.

"Accompanying him were Light Industry Minister Dang Vu Chu, leaders of the ministry and the textile sector, and deputy heads and experts of the Council of Ministers' office.

"At the Dong Xuan knitware factory, Chairman Do Muoi visited various production shops and listened to factory director Le Nam Hung report on the situation of production and business after 30 years of growth."

Although the factory is a leader in the knitware sector, its equipment had become old and outdated. Over the past few years, the factory has boldly made in-depth investment, using self-procured funds and loans, to get some modern weaving and sewing equipment. Owing to this investment and its efforts to improve technical work, renovate its management and increase the quality of products, its products have been well liked by domestic consumers and have begun to appear in Japanese, Western and Northern Europe markets.

"Chairman Do Muoi assessed the Dong Xuan knitware factory's investment in developing production of consumer goods as correct. However, the factory must calculate accurately and adequately all the factors involved in the production costs" in order to do truly profitable business, preserve its capital, accumulate funds for developing production, fulfill its obligations to the state and assure good income for workers.

"Director Le Nam Hung reported to Chairman Do Muoi that the factory has increased the annual turnout from 10 million items for domestic consumption to 12 million in 1989 and 12.5 million in 1990 including 10 million for export. Beginning 1990, the factory began producing exports of high quality for zone 2 countries, creating a new potential business when the Zone 1 market incurred some troubles."

At the Hanoi yarn factory, Engineer Director Nguyen Nha reported on the situation of production and business of his factory after obtaining some capital from the state. In 1990, the factory produced 7,899 tonnes of yarn, delivered nearly 8 billion dong to the state budget and reached a per capita monthly income of 200,000 dong. Using its self-procured funds, the factory has imported more equipment, enabling it to begin turning out exports to Sweden and some other countries.

Chairman Do Muoi commended the factory for advancing in the right direction of increasing the quality of products but stressed that "investment should be uniform and the factory should not pay attention only to the quality of products but should also be concerned with keeping in touch with the market and regularly improve designs and models to suit consumers' liking" in order to make profitable business.

Chairman Do Muoi also reminded the factory of the need to pay back gradually its $50 million loan from the state.

At the 8 March textile plant, Director Nguyen Thi Ha briefed Chairman Do Muoi of the real status of her plant. "Built in 1960, most of the plant's equipment is too old. Its productivity and the quality of its products is too low and it is hard for the plant's products to be competitive in markets." In the past few years, owing to its own efforts to get some new equipment, "the plant has partly increased the quality of 7 million meters of fabric out of the 35 million meters planned for export and competition in markets." However, all these improvements are still too few as compared to the 30-year old plant.

After hearing the plant director present a project for rehabilitating the plant in the coming years, Chairman Do Muoi agreed with the plant's projects for getting more loans to modernize the production chain and increase the capacity and quality of production.

"Chairman Do Muoi also reminded the light industry ministry and the textile sector of the need to quickly renovate the management procedures, creating more favorable conditions for factories to develop their autonomy in production and business, and effectively exploit the output of equipment and the labor potential of the textile sector. The ministry together with responsible agencies should study projects and advise the state to formulate positive policies to stimulate production and turn the textile and readymade clothes sector into a spearhead economic sector of our country in the coming years."

Visits Ha Nam Ninh Factories

BK2005153991 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 1 May 91

[Report by station correspondent Dinh Khai—portion recorded]

[Summary] Dear friends, on the occasion of the commemoration of the 105th International Labor Day, on 29 April Comrade Do Muoi, member of the Communist Party of Vietnam [CPV] Central Committee Political Bureau and chairman of the Council of Ministers, paid a working visit to a number of textile and ready-made clothes factories in Ha Nam Ninh Province.

"Accompanying Chairman Do Muoi were Nguyen Van Tu, member of the CPV Central Committee and chairman of the Confederation of Vietnamese Workers; Dang Vu Chu, minister of light industry; Bui Cong Xuan, secretary of the provincial party committee; and Dang Khue, chairman of the Ha Nam Ninh People's Committee."

After visiting production units of the Thang Loi knitting mill, the Nam Dinh silk weaving factory, and the Nam Dinh textile factory, Comrades Do Muoi, Nguyen Van Tu, and the others met with comrade leaders and representatives of these three establishments. They briefed the visiting guests on the production situation and the workers' daily life, especially their efforts during the period of shifting from the state subsidies system to business accounting. Many representatives of the workers also expressed their aspirations related to their work, daily life, and the future of their children.

"The Comrade Minister of Light Industry exchanged views on issues related to efforts to stabilize and develop the textile and readymade clothes industry. He stressed the textile sector's numerous difficulties and measures to overcome them to maintain production in the days ahead.

"Also at this meeting Comrade Nguyen Van Tu, chairman of the Conderation of Vietnamese Workers, conveyed his kind regards to cadres and workers of the textile sector on the occasion of the International Labor Day, May 1. He highly appraised contributions made by the working people of the textile sector to the revolutionary cause of the nation. He also raised some pressing issues and urged each unit and individual to strive to develop production and stabilize daily life."

After listening to ideas expressed by cadres and representatives of textile factories in the province, Chairman Do Muoi delivered a speech in which he commended the textile sector for its efforts and achievements during the past period. "He said the sector has made great progress in implementing the renovation cause set forth by the Sixth CPV Congress, and that the sector has courageously shifted from bureaucratic centralism and state subsidies to a business accounting system; developed the spirit of self-reliance, dynamism, and creativity; taken full responsibility in production and business; and strived to supply itself with key materials for production." He also praised the sector for its efforts to install new equipment, promote sales in the world market, and build new progressive models, thus being able to firmly surge forward to compete with products of other countries while striving to improve the daily lives of the workers.

"Comrade Do Muoi said, however, that the aforesaid achievements are not great and sufficiently firm because most of the key materials for them have been imported from foreign countries and backwardness is still prevalent in each factory and the whole sector, that product quality is poor while production cost is high, and that markets for textile products are not large enough."

As a result, Comrade Do Muoi called for efforts to create favorable conditions for the textile sector to develop itself with faster and firmer paces, saying that in five to 10 years the sector should be one of the key exporters of the country. To achieve this, efforts should be made to overcome all difficulties, stabilize production, and create conditions for developing the sector during the 1991-95 period. He also urged that efforts be made to plant more cotton trees, improve sericulture, and promote the sale of textile products and readymade clothes in the world markets. He asked the Ministry of Light Industry, the textile production and export-import union, and the Ministry of Agriculture and Food Industry to provide guidance and assistance to localities to help them fulfill the target of planting 100,000 hectares of cotton to meet the domestic demand. He stressed that the state has paid close attention to, and formulated a unified policy for, investment and seeking loans to protect homemade products and provide social insurance for workers of the textile sector, so as to create favorable conditions for the sector to develop along the lines of the strategy for socioeconomic stabilization and development from now to the year 2000.

Chairman Do Muoi finally said:

[Begin recording] "Although we are facing numerous difficulties at present, we are striving to overcome them to the best of our ability. The state has [words indistinct]. As a result, I hope that cadres, workers, and laborers of the textile sector will, together with the laboring people throughout the country, strive to develop the tradition of unyielding struggle and study and firmly grasp Uncle Ho's concepts and morals. They should, under the party leadership, strengthen their unity and strive to overcome all difficulties and ordeals to stabilize and develop production, improve daily life, and score achievements to welcome the upcoming Seventh CPV Congress, thereby contributing to triumphantly building socialism, firmly defending national independence, [words indistinct], and ensuring a free, bountiful, and happy life for all Vietnamese.

"Thank you very much, comrades, for your attention." [applause] [end recording]

Vo Van Kiet Meets Veterans Delegation

BK1705144191 Hanoi VNA in English 1237 GMT 17 May 91

[Text] Hanoi VNA May 17—A delegation of the Vietnam Veterans of America Foundation (VVAF), the Indochina Project, and the British Energy Company (word indistinct) led by J. Terzano, the company president, and R. Ouller, executive director of VVAF, has been visiting Vietnam since May 10 .

With them are H. Poli, assistant to the director of Indochina Project, R. Baker, business director of "Baxcock", and Mrs (word indistinct) marketing advisor of the delegation.

The delegation was received by Vo Van Kiet, first vice chairman of the Council of Ministers, and Nguyen Co Thach, vice chairman of the Council of Ministers and foreign minister.

The guests had working sessions with the Vietnam State Commission for Planning, the Vietnam Commission for Cooperation and Investment, the ministries of Energy, Heavy Industry and Commerce, and the state bank.

The guests also met with representatives of the Vietnam Union of Peace, Solidarity and friendship organisations.

The delegation left here yesterday for Ho Chi Minh City.

Services Instructed To Buy Surplus Paddy

BK1705083091 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 16 May 91

[Text] Various sectors and localities recently held a meeting in Ho Chi Minh City to discuss grain collection in the Mekong River delta and the orientations for resolving the surplus grain problem at present and in the coming period, VIETNAM NEWS AGENCY reported.

According to reports from various provinces, after the winter-spring crop harvest, there is now in the Mekong River delta a surplus of commercial paddy totalling more than one million tonnes, about 800,000 of which are in the people's possession. Sowing of the summer-fall crop has started, and harvest will begin within the next few months. Vo Van Kiet, vice chairman of the Council of Ministers, has instructed the banking and financial services and the Central General Food Corporation No. 2 to mobilize capital to buy up the above-mentioned commercial paddy surplus. With regard to the purchasing formula, it is recommended that, at the central level, the Central General Food Corporation act as the sole purchaser. At the provincial level, this task should be handled by provincial food corporations to prevent private traders from taking advantage of the situation by cutting prices. The banking sector should revise its interest rates to make them more appropriate for loans used to finance the purchase of reserve grain. The financial sector should reduce the tax rates for irregular transactions by state-operated units qualified for grain trading and cut the export tax levied on grain.

Orientations, Tasks in Political Report Noted

BK1705120491 Hanoi Voice of Vietnam in English 1000 GMT 10 May 91

[Text] The Communist Party of Vietnam maintains that Vietnam enters the 1991-1995 five-year plan at a time when big changes are taking place in the international situation exerting a profile impact upon the country. However, the achievements and experience of the four years of renewal, our party, state, and people are certain to have the prowess and capacity to get our country out of the crisis and go forward to new successes.

That is affirmed in the draft political report of the Seventh National Party Congress which is under public discussion. Today we bring you major orientations and tasks of 1991-1995 period:

From 1991 onward, our country's trade relations with the Soviet Union has shifted to payment in hard currency at world market prices. The development in the Soviet Union and Eastern Europe and the Gulf crisis have caused upset to our import-export market and many of our joint ventures and cooperation programs and labor agreements. External loans [words indistinct] also decreased substantially while annual debt service payments have increased. Those are difficulties in international situation which are pointed out by the draft political report.

It adds: The international political situation has given rise to, besides advantages, new complications affecting our country. Inside the country, the socioeconomic crises which started years ago have not come to an end, [words indistinct] and the renewal process is still up to difficulties and complexities.

However, the draft political report also brings to light the fundamental advantages of our country. Our country's external relations are increasing in revenues with improvements achieved recently with regard to certain countries, opening up prospects for step-by-step normalization of relations.

In internal relations, the new policy has been supported by a broad section of the people, the political situation in our country has been stable, which still has the great potential to develop.

In view of the situation as mentioned above and the objectives set forth in the initial stage of the period of transition to socialism, the overall objectives for the next five years are to overcome difficulties and trials, ensure socioeconomic stabilization and development, enhance political stability, and drive back negative phenomena and social injustices.

The draft political report holds that of the coming five years, the years 1991 and 1992 are of decisive significance for adapting our economy entirely to the international situation and (?safeguarding) and turning into a period of achievement of the renewal process.

The (?present) guidelines are to continue to strengthen the national unity bloc, to combine economic incentives with labor motivation, to continue the process of all-out and harmonious renewal, ensuring its in-depth development; and to create a favorable international environment, to broaden and strengthen international relations.

After working out the main tasks concerning economic stabilization and development, social policies, national defense, and security and foreign policies, and other important aspects, the draft political report concludes: The seventh party congress reaffirms the determination of our party and people to carry out victoriously the renewal in all fields to take our country over trials and gradually into stability and step by step development.

Regulation on Complaints, Denunciations Issued

BK1705064391 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 16 May 91

[Text] Recently, the National Assembly and Council of State Office jointly held a news conference with the State Inspection Commission to make public the Regulation on Citizens' Complaints and Denunciations. Comrade Tran Van Soan, deputy state general inspector, briefed newsmen on the purposes, requirements, and contents of the regulation.

Carrying out renovation in keeping with the spirit of the sixth party congress, we have effected many changes in mechanisms and policies and have promoted the spirit of democracy and openness. As a result, the number of complaints and denunciations has increased, some concerning serious cases. Responsible organs have made numerous efforts to settle these grievances, but the results have been limited. Cases of complaints and denunciations not being processed through proper channels, being passed around in a circuitous manner, or remaining unprocessed are still prevalent. Many cases have been allowed to drag on and on without being definitely settled, or they were settled, but relevant rulings were not implemented by responsible organs, thereby reducing the effectiveness of the settlement. For this reason, the Council of State decided to promulgate the Regulation on Citizens' Complaints and Denunciations to replace the Regulation on Consideration and Settlement of Citizens' Complaints and Denunciations enacted in 1981.

The new regulation, an institutionalization of the citizens' basic rights as stipulated by Article 73 of the Constitution, is aimed at resolving problems arising from the lodging of complaints and denunciations and their settlement.

The regulation consists of six chapters and 47 articles. Chapter I contains general provisions and defines the right to make complaints, the substance of complaints and denunciations, and the power ansd responsibility of the organs in charge of settling complaints. Chapter II elaborates on complaints and their settlement, the rights and obligations of the author and object of complaints. Chapter III deals with denunciations and their settlement. Chapter IV expounds on state management in the settlement of complaints and denunciations. Chapter V spells out commendation and reward, and penalties for offenses. Chapter VI contains the final provisions.

Vo Chi Cong Greets 316th Army Division

BK2005151391 Hanoi Voice of Vietnam Network in Vietnamese 1400 GMT 29 Apr 91

["Text" of Council of State Chairman Vo Chi Cong's letter to the 316th Army Division on its 40th founding anniversary; date not given]

[Text] Dear comrades, on the occasion of the 40th founding anniversary, 1 May 1951-1 May 1991, of great Division 316—now called the 316th division—and on behalf of the party and state, I cordially convey my kind regards and warm greetings to all cadres and combatants of the division.

During the past 40 years, under the leadership of the Communist Party of Vietnam [CPV] and esteemed President Ho Chi Minh, and with support and assistance from the people, groups of cadres and combatants of the division have consistently developed the fine tradition of the heroic Vietnamese Army, overcome numerous difficulties and hardships in various revolutionary stages, valiantly fought in many battlefields and scored outstanding achievements, thereby fulfilling all assigned tasks and contributing greatly to the cause of national liberation, unifying the nation, defending and building the socialist Vietnamese fatherland, and fulfilling international obligations. You comrades are truly deserving of the commendation bestowed on you by Uncle Ho which read: Your determination is more solid than rock, and your wit and willpower is higher than mountains, thus overcoming all difficulties and enduring all hardship. You comrades are indeed worthy of the lofty title of People's Armed Forces heroes bestowed on you by the state.

On the occasion of this glorious traditional day, I would like to highly commend cadres and combatants of the division for their efforts and achievements scored during the past 40 years.

Dear comrades, to positively contribute to implementing the renovation cause and to firmly defend and build the fatherland, you are dutybound to strive to build the division stronger, enhance its combativeness, and satisfactorily fulfill all tasks assigned by the party, Armed Forces, and people. Each cadre and combatant of the division must strive to firmly grasp all lines and policies of the party and state, consistently develop the glorious tradition of the Army and the 316th division, strengthen solidarity, strictly observe Army discipline, heighten vigilance, cooperate closely with other military units, enhance unity with the people, and stand ready to fight and fight triumphantly.

Let all of you strive to study and enhance your background politically, militarily, and professionally while surging forward to become masters of modern military scientific-technological science. You must also strive to continue to participate in productive labor and build your division into a consistently firm, strong unit.

I wish you comrades good health and many new achievements in order to welcome the upcoming Seventh CPV Congress.

My cordial and determined-to-win salutations to you all. [Signed] Vo Chi Cong.

Vo Chi Cong Letter on Trade Sector Anniversary

BK1905085991 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 13 May 91

["Text" of letter from Vo Chi Cong, chairman of the Council of State, to cadres, workers, and personnel of the state-run trade sector on its 40th founding anniversary—date not given]

[Text] Dear comrades, on the occasion of the 40th founding anniversary of the state-run trade sector, on behalf of the party and state, I cordially convey my kind regards and warm greetings to all cadres, workers, and personnel of the sector.

During the past 40 years, under the leadership of the Communist Party of Vietnam [CPV] and esteemed President Ho Chi Minh, with close guidance from echelons and sectors, and with support and assistance from the people, state-run trade establishments—especially those engaged in export-import activities and in the distribution and circulation of goods—have overcome numerous difficulties and ordeals to satisfactorily serve the revolution and ensure the prompt delivery of goods and materials to establishments, thereby effectively maintaining and accelerating production, stabilizing the people's daily life, and serving army rear service activities. As a result, the sector has effectively contributed to national liberation, unification of the country, and defending and building the socialist Vietnamese fatherland.

Firmly grasping the party renovation policy, the trade sector has made significant progress and scored remarkable achievements. It has contributed to increasing the export value, ensured smooth distribution of essential goods to society, maintained its positive role in regulating the social market, improved the circulation of goods, and accelerated the development of the commodity-based economy in accordance with the socialist path.

On this occasion, I warmly commend the trade sector for its efforts and achievements scored over the past 40 years. I would also like to convey my commendation to all echelons, sectors, and countrymen throughout the country for their support and assistance given to the trade sector to help it advance further.

Dear comrades, to positively contribute to carrying out the renovation cause and national construction and defense, the state-run trade sector has many important tasks to fulfill. As an economic agency of the state, it must focus its activities on effectively serving all national socioeconomic tasks and targets. It must continue to improve its policies and management mechanism, actively promote production, combine production with marketing, strengthen production relations between cities and rural areas, promote markets at home and abroad, strengthen market management, and oppose speculation, smuggling, and contraband goods, while striving to promote healthy markets in accordance with state policy and law.

Let all cadres, workers, and personnel of the trade sector strive to study and improve their background in all aspects and try to uphold the practice of diligence, thrift, honesty, righteousness, and impartiality. Let all of them strive to bring their capability into full play and try to overcome shortcomings and weaknesses, while strengthening their sense of responsibility, improving workstyle, promoting modern trade, and building the sector stronger, thereby meeting the current requirements and demands of the nation.

I wish you comrades good health and many new achievements in order to welcome the upcoming Seventh CPV Congress.

My cordial salutations to you all
[Signed] Vo Chi Cong

Counterespionage Leader on Sabotage Activities

BK2005053491 Hanoi Voice of Vietnam in English 1000 GMT 17 May 91

["Talk of the Week" feature]

[Text] The Vietnamese people advocate socialist-oriented renovation. Political stabilization is one of the necessary requirements to develop socioeconomy and facilitate the renewal process. However, hostile and reactionary forces never want Vietnam to be stable. There are quite a few sabotage activities against Vietnam's security. A leader of the General Counterespionage Department said: As the

Seventh National Congress of the Communist Party of Vietnam is approaching, the hostile forces—including the counterrevolutionary Vietnamese in exile—are intensifying their sabotage acts, hoping to create political instability and eventually to bring about sudden changes to force us to accept a nonsocialist path. They have dispatched many groups of armed commandos and spies to link up with reactionaries in the country in an attempt to provoke a rebellion to topple the regime. The groups of Le Quoc Tuy, Mai Van Hanh, Vo Dai Ton, Hoang Co Minh, Dang Van Thanh, and others are elite in these attempts, and their tragic ending was known to everybody.

At present, some officials of the toppled puppet regime like Nguyen Van Thieu, Nguyen Cao Ky, Vu Quoc Thuc and others have carried out propaganda work among former puppet officials, officers and soldiers in different countries. However, not all these people support them. In the ideological area they have been using the radios and newspapers as their chief means of sabotage. One of their playing cards that they are making full use of is Bui Tin, a Vietnamese journalist who has defected to the West. Bui Tin has contacted the counterrevolutionary and hostile forces and foreign spies, trying to contact and induce some Vietnamese working in foreign countries, linking up with dissident persons inside the country in an attempt to build their forces. Bui Tin has plunged headlong into the sinful road against his homeland and his people.

According to the leader of the General Counterespionage Department, at present there are dozens of radios broadcasting in Vietnamese run by some western countries and by counterrevolutionary Vietnamese living in exile. Dozens of newspapers printed in Vietnamese produced by counterrevolutionary Vietnamese living in exile are now operating in the United States, Canada, Australia, France, and some other countries. The reactionaries have smuggled into our country many kinds of antisocialist books and newspapers by air, sea, post, or overseas Vietnamese and foreigners who visited Vietnam, in an attempt to arouse the people and distort the truth in our country.

The leader of the General Counterespionage Department said that woman writer Duong Thu Huong has a wrong ideology and viewpoint. From taking advantage of renovation, openness, and democracy to carry out antisocialist activities, she has contacted a number of leaders of counterrevolutionary organizations abroad such as Vo Van Ai, Vo Phien, and Pham Duy. Recently, Duong Thu Huong has contacted Bui Duy Tam, who had been in reeducation camps for bad activities and who had illegally fled the country. Bui Duy Tam had handed Duong Thu Huong anti-Vietnam documents and received from her some secret documents and information with the aim of sending them to hostile forces outside Vietnam to carry out anti-Vietnamese activities. Duong Thu Huong has been arrested with ample evidence on actions against the law.

The leader of the General Counterespionage Department stressed that the Vietnamese people need friends and people of goodwill in their renovation process, but they are firm in dealing with those who take advantage of renovation to serve purposes detrimental to national security.

Thai Binh Holds First Round Party Congress

BK1905125791 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 22 Apr 91

[By station correspondent Le Phuong: "Advance to the Seventh Congress of the Communist Party of Vietnam"]

[Summary From Poor Reception] "The fourteenth congress of the Thai Binh Province party committee held proceedings from 18 to 20 April and was attended by 305 delegates representing 86,000 members of the provincial party committee."

At the congress, those present noticed that the presidium skillfully connected the discussion of the draft party document with finding solutions to local issues in a democratic atmosphere. There were 52 delegates registered to speak but because of time limitations, only 28 delegates addressed the congress.

We would like to summarize some issues that were discussed by many representatives:

As an agricultural province, most of the opinions expressed confirmed that agriculture is the priority front and should be given proper care. However, the delegates also realized that if we only concentrate on agriculture then it will be very difficult for our country to prosper. Therefore, industrial development must also be attended to. And in Thai Binh, the development targets are: to develop the processing industry, increase agricultural production, and improve food quality.

There were many opinions provided about the right of possession and land use rights. Regarding the right of possession, for residential land, residents should be entrusted with certificates so the land can be sold at its real value and taxes can be paid on the transaction. For cultivated land, the right of use should be broad but not totally entrusted.

In the initial stage of forming the multisectoral commodity economy, many opinions suggested that party members should be allowed to conduct private business with a limitation on the size of the business and under the strict observation of government laws. There was a good example in Tien Hai District where a party member rented land and borrowed money from the government then cooperated with government offices to plant rice and breed shrimp. After five years of operation, he returned the land and the money to the government, created jobs for hundreds of people, and was evaluated as a good party member by the province.

About the labor force, most were of the opinion that in the multisectoral commodity economy, the labor force should also be considered as a commodity.

About social policies, the delegates mentioned the need to assist the poor in the countryside under the multisectoral commodity economy.

The congress also discussed some changes in the political system where the economic system is changed but the essential—that is, the target of the path to socialism—must not be changed. Some said that the local level should have no legislative body except the supreme legislative body at the central level which is the National Assembly.

All opinions expressed at the congress were thoroughly compiled to present to the seventh party congress.

The Thai Binh first round party congress elected 30 official representatives and two alternates to attend the seventh national party congress.

Views Aired at All-Army Party Congress

Part One

BK1705060191 Hanoi Voice of Vietnam Network in Vietnamese 1400 GMT 25 Apr 91

["Part 1" of report by correspondent Dang Van Nhung "reflecting the views aired by various delegates at the fifth all-army party congress on the draft documents of the seventh party congress"—portions recorded]

[Summary] "The all-army party organization congress has been in session for three days now. After the opening ceremony, delegates enthusiastically discussed various draft documents—namely the platform for socialist construction during the transitional period, the strategy for socioeconomic development of our country until the year 2000, and the political report at the seventh party congress."

All of the suggestions made at this congress have been carefully prepared, taking into account the views aired by party cadres and members as well as by nonparty members during many party congresses at various levels. "Basically all the suggestions made at the congress show a high degree of consensus over the fundamental contents and concepts and the major principles expounded in various draft documents."

However, those attending also analyzed these documents more profoundly, therefore shedding more light on their contents. Many delegates said: "We should learn from Uncle Ho, a bright example, and also a genius in mastering and applying principles. His renowned motto in this domain is that theory remains unchanged but application may vary greatly."

Many delegates held that it is necessary to further clarify the differentiation between the two paths—socialist and capitalist. Others contended that "we should diversify economic components and the ownership over production means. It is precisely because of the need for such a diversification that we should emphasize the essense of the issue of ownership over production means. The state-run economic component should play a leading role while the collectively run economic component should be constantly consolidated and developed. Failing to do so, we would fall onto the capitalist path instead of advancing toward socialism as claimed. This is a tough struggle in which we should remain alert and vigilant and should firmly master principles."

Discussing the draft strategy for socioeconomic development until the year 2000, Lieutenant General Dam Van Nghi, a delegate from the First Military Region, a region that is inhabited by many ethnic minority groups and that shares a long border with a neighboring country, said:

[Begin Dam Van Nghi recording] From my vantage point, the part of the strategy dealing with the building of the mountain region fails to reflect the importance of this region. Therefore, I would like to offer the following supplements: The party and state should come up with a policy to invest in targeted projects for comprehensively building the mountain border region so it can become steadfast politically, economically, socially, culturally, educationally, and in terms of public health, national defense, and security. At present, the mountain border region is still plagued with difficulties and the multiethnic compatriots have not yet fully realized the superiority of socialism. As far as the northern mountain region is concerned, although having been liberated for several decades, its economic, social, and cultural aspects of life are in serious decline. Superstition which involves such old-fashioned practices as holding funeral parties and worshipping spirits have shown an increase. Since discarding the state-subsidy system, multiethnic people in remote mountain areas have ceased to be treated to film shows and art performances. The people have gradually lost their trust in the party. This situation should not be allowed to continue. [end recording]

"Rear Admiral Le Van Xuan, a delegate from the Navy, also made suggestions reflecting the views of his armed service."

Part Two

BK1705060791 Hanoi Voice of Vietnam Network in Vietnamese 2330 GMT 25 Apr 91

[Last part of report by Correspodent Dang Van Nhung "reflecting the views aired by various delegates at the fifth all-Army party congress on the draft documents of the seventh party congress"—portions recorded]

[Summary From Poor Reception] Many delegates also reminded the congress of the current capitalist scheme to undermine socialism. "Some of them said that given the current swift changes at home and abroad, the renovation cause set forth by the Sixth Communist Party of Vietnam [CPV] Congress is thereby proven to be absolutely correct, and that the true nature of capitalism has never changed." They said that capitalism now has resorted to action and not merely words to attack socialism. As a result, we must heighten vigilance to defend the fatherland and foil all schemes of the enemy.

"As soldiers, delegates to the all-Army organization congress understand better than anyone else how dear is the price we have to pay in case of war. However, we must fight, at any price, to protect our national independence, as President Ho Chi Minh said: Nothing is more precious than independence and freedom. This expression is immortal although no one wants war, separation of family members, disaster, and destruction. For this reason, we must place the national defense task in its proper position."

Dealing with this issue, Lieutenant General Nguyen De, delegate from the 9th Military Region party organization congress said:

[Begin Nguyen De recording] Studying the party draft docoments we discovered that the national security and defense task has not been concretely defined in accordance with the requirement of the present situation and that national defense has not been designed in close association with socioeconomic development programs. "It is necessary to mention here that in recent years, imperialism and its allies have attempted to sabotage the international revolutionary movement in order to eliminate socialism. They are striving to introduce to Vietnam political pluralism and multipartyism while attempting to carry out their so-called peaceful evolution scheme. As a result, we must heighten vigilance against the enemy."

For this reason, I would like to suggest that we combine the parts dealing with national security and defense into one chapter while separating the part dealing with foreign affairs to another one, because these are domains of a different nature. [end recording]

Touching on the issue of the military industry, Lieutenant General Phan Tu, delegate from the party organization of the general department of military economy and industry said:

[Begin Phan Tu recording] We should combine the socioeconomic task with that of national defense and take measures to modernize our army in the days ahead. We must strive to develop industry in a way that supports our nation's economic development program, thereby creating favorable conditions for developing the defense industry. We must also design measures to strengthen the all-people national defense so as to enhance combat readiness among our people. [end recording]

In summing up, delegates to the fifth all-Army party organization have contributed many valuable viewpoints to the party draft documents. Many ideas advocated efforts to strengthen socialist law and education given the prevailing negative phenomena which include authoritarianism, embezzlement, corruption, and amassing wealth illegally. They called for efforts to seriously eliminate corruption by taking drastic measures against persons who violate state law and are involved in corruption. Some also called for efforts to strengthen and consolidate the socialist position in all aspects, especially in the political and ideological domains.

Xuan Ngan Article on All-Army Party Congress

BK2005152591 Hanoi Voice of Vietnam Network in Vietnamese 1400 GMT 26 Apr 91

[Article by Correspondent Xuan Ngan at the Fifth All-Army Congress of Party Delegates: "It is Imperative for the Party To Revamp Itself"]

[Summary] "The draft report on party building and the draft of the revised party statute were debated heatedly at the fifth all-Army congress of party organization delegates. This was not because of conflicting opinions but because of the colossal responsibility toward revamping the party and the revolutionary undertaking of the party and Uncle Ho. The delegates all wanted to help the party further clarify the fundamental principles of the party-building work.

"They unanimously agreed that over the past 60 years and more, party members of various generations in the army have persistently struggled for the party's objectives and ideals and have scored glorious achievements in the tasks entrusted by the party and country."

All the forces hostile to the revolution are now stepping up their attacks in an attempt to deny the party's historic role. Realizing their responsibility, party members in the army have joined the party in seeking effective measures to consolidate and increase the efficiency of the party's leadership.

"The views expressed at the congress and those that had not yet been expounded by the other delegates were unanimously in favor of the contents of these documents. The congress only concentrated on clarifying the viewpoints and fundamental principles of party-building work.

"Based on realities being faced by the communist parties in the world, especially those in Eastern Europe and even in our country, the all-Army party organization congress unanimously suggested that in the two documents it is necessary to affirm that the Communist Party of Vietnam is the vanguard unit of the Vietnamese working class, and that it represents the interests of the working class, the laboring people, and all nationalities of Vietnam."

The congress held that one of the causes for the impairment of the party's prestige in recent years has been the failure to pay adequate attention to party building work, as well as to education on class nature both among party members and the masses—those who are close to the party.

"Through discussion, all the views unanimously agreed with the assessment of the situation of the party and party-building work as specified in the documents. However, a question was raised for clarification: Why is it that the party's weaknesses have increased—especially such practices as corruption, bureaucratism, alienation from the masses, localism, and disunity developing in a relatively serious manner in the party in recent years—despite the fact that the party has issued many resolutions on consolidating and revamping itself since its sixth congress?

"It is certain that there are many objective causes. However, various views held that it is strictly necessary to realize that this is due mainly to the inner party itself."

The congress held that apart from the suggestions made to the party Central Committee, it is necessary to manifest clearly in these documents the viewpoints concerning the class nature of the party, the principle of democratic centralism, the duty of party members, and the measures to effectively revamp the party.

The congress expressed great concern over the fact that at present, party bases—especially those at the village and city ward levels in mountainous and rural areas or former revolutionary zones—are still weak or too weak.

"It is the weakness of party organizations in many villages and city wards that has given rise to many ignominious phenomena. As members of the People's Armed Forces who are fostered and protected by the people, all party members in the Army have paid great attention to various revolutionary movements among party bases at the village and city ward levels."

Contributing views to the draft of the revised party statute, the all-Army party organization congress suggested that chapter VI should be recompiled to make it more specific and clear. Regarding Article 13 in particular, the entire congress unanimously agreed that all delegates to party congresses at various levels be elected from the grass-roots level upward.

"The fifth all-Army congress of the Party unanimously agreed in principle that the party assumes unified leadership over the activities of the Army in all domains. It also suggested that the Seventh National CPV Congress should affirm that our party uses concepts of Marxism-Leninism and Ho Chi Minh as the ideological foundation and compass for all of its activities."

Propaganda Plan To Be Conducted for Congress

BK2105064391 Hanoi Voice of Vietnam Network in Vietnamese 1400 GMT 16 May 91

[Text] In implementing a communique of the Party Central Committee Secretariat on some issues concerning ideological tasks from now until the seventh party congress and a guidance from the Party Central Committee Department of Ideology and Culture on the propaganda campaign for the congress, the Propaganda and Training Department of the General Political Department has issued its own guidance for Army units to conduct the propaganda campaign. The guidance specifies:

1. Continue to promote democracy, freedom of thought and sense of construction among cadres and combatants; increase the confidence of party members and the masses in party leadership; and continually work to bring the renovation to a success.

2. Motivate cadres and combatants to participate in cultural and artistic, sports and physical training, and collective activities using the themes of looking to the party, the revolution and Uncle Ho to greet the seventh national party congress and the all-Army conference, citing advanced units in early August 1991; and accelerate the emulation activities of the Ho Chi Minh Communist Youth Union. Localities with favorable conditions should coordinate with local authorities to organize these activities.

3. Develop self-reliance and creativity in study, training, unit building, productive labor and work; learn from the deeds of good people, and advanced units; be combat ready, maintain Army-people solidarity and unity, and help one another to score achievements to greet the congress.

4. The focus of all activities is to be practical and thrifty in performing various action programs, plans and tasks of the units; combine the activities to greet the seventh party congress with the celebrations of various anniversaries on this occasion including Uncle Ho's birthday. Mass information media should formulate specific plans and programs to carry out the propaganda task well.

Units will organize the implementation, control and report to higher echelons on the results of the first phase of the campaign lasting from 20 to 30 May and on the second stage after the seventh party congress.

Trade Minister Meets With Foreign Businessmen

BK1805092791 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 17 May 91

[Text] On the afternoon of 17 May at the Giang Vo exhibition center in Hanoi, the 1991 Export-Import Fair Organization Committee held a meeting with foreign producers and businessmen participating in the fair. Comrade Ta Ca, vice minister of trade and chief of the organization committee, made a statement stressing the economic achievements of our country over the past years, particularly since the sixth party congress with the open-door policy, and noted that our party and state have created conditions for the various economic sectors to develop and turn out many exports. The trade relations between Vietnam and other countries have expanded.

Today, besides the traditional exports to the Soviet Union and Eastern Europe, we have maintained trade relations with all countries worldwide. In 1989 our export quota increased by 75 percent over that of 1988, and in 1990 it increased 20 percent over that of 1989 and exports are now balanced with imports. At the same time, the state has encouraged foreign investors to cooperate with and invest in Vietnam.

At the meeting, Comrade Ta Ca answered questions about the development of relations between Vietnam and the World Bank, the Asian Development Bank, the International Monetary Fund, Vietnam-China border trade, the issue of customs and exit and entry visas regarding foreign producers and businessmen, and so on.

Le Quang Dao Attends Viet Minh Front Meeting

BK1705051491 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 16 May 91

[Text] The Viet Minh Front is the abbreviated name of the organization Viet Nam Doc Lap Dong Minh [Alliance for Vietnam's Independence] founded by the Communist Party of Vietnam [CPV] and leader Ho Chi Minh on 19 May 1941. This year, the front is 50 years old. On the occasion of the 101th anniversary of President Ho Chi Minh's birthday and the 50th founding anniversary of the Viet Minh Front, and in honor of the upcoming Seventh National CPV Congress, the Vietnam Fatherland Front [VFF] Central Committee, the Institute of Party History, the Vietnam Institute of History, the Museum of Vietnamese Revolution, the Ho Chi Minh Museum, the History Department of Hanoi University, and the circles of history researchers held a symposium on the theme "the Viet Minh Front and the Question of National Unity in Vietnamese Revolution."

Comrades Nguyen Huu Tho, vice chairman of the Council of State and chairman of the VFF; Le Quang Dao, vice chairman of the Council of State and chairman of the National Assembly; Vo Nguyen Giap, vice chairman of the Council of Ministers; and Hoang Quoc Viet, one of the founders of the Viet Minh Front, attended the symposium.

All papers presented at the symposium affirmed that the Viet Minh Front was truly a model of the CPV's success in implementing the line of building a national united front to make a decisive contribution to the victory of the August Revolution. Aside from setting an example in national unity, of which President Ho Chi Minh was the soul and a model, the front also contributed invaluable lessons of experience to the theory and practice of our nation's revolutionary cause in various periods of history.

Addressing the symposium, Comrade Vo Nguyen Giap stressed the great and profound significance of the Viet Minh Front in the cause of the national liberation revolution and pointed to the relationship between class and nation and between nation and international community in the CPV's policy of solidarity.

Truong Son Task Force Anniversary Commemorated

BK1805090191 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 17 May 91

[Text] Just when the anti-U.S. resistance struggle for national salvation of the entire Vietnamese nation became very hard and fierce, advocating the policy of giving everything to the kith and kin in South Vietnam, to the frontline, and to defeating the U.S. aggressors, on 19 May 1959 Uncle Ho signed the decision to establish the Truong Son Task Force to reinforce the southern battlefield.

To commemorate the armed exploits of the Truong Son Task Force throughout the long course of history, every year on 19 May—President Ho Chi Minh's birthday and also the birth of the Truong Son Task Force—the Liaison Committee of Truong Son Task Force Veterans organizes a meeting of cadres and combatants of the force who work or live as retirees in Hanoi and some surrounding provinces.

In this year's meeting many comrades expressed the lofty thoughts and sentiments of the former Truong Son combatants and recalled the memories of their fellow unit members who lived and fought for several years in the anti-U.S. resistance struggle for national salvation.

In remembrance of the courageous examples of self-denial in combat full of sacrifices by the unit and the aspirations of the Truong Son combatants for remaining always worthy of the title of Uncle Ho's soldiers, the task force was established on our uncle's birthday.

As a former commander of the Truong Son Task Force, Comrade Dong Sy Nguyen was deeply moved by the affection of his fellow unit members and emotionally expressed his thoughts and desire to cooperate with the Truong Son combatants to make positive contributions to the renovation process in order to build a prosperous and powerful Vietnam and persistently follow the path chosen by the party and Uncle Ho.

Pursuit of Marxist-Leninist Path Affirmed

BK1805101091 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 21 Apr 91

[21 April NHAN DAN editorial: "Leninism Is Our Grand Path"]

[Text] The political and ideological crisis in the international communist movement stems from the following causes: First, it is a large-scale and profound crisis hitting virtually all socialist countries. Second, it is a profound, global upheaval now taking place under the impact of the modern scientific and technological revolution during which the international bourgeoisie has promptly readjusted some of its policies and exploited advantageous factors to generate new economic growth for capitalism.

Such phenomena have occurred repeatedly in a short period of time and this has led to a great repercussion. Unlike previously predicted, a number of people have been panic-striken and lost their direction. Recently, in this or that area much has been written and said about the inevitable crumbling of various socialist countries and the bankcruptcy of outdated Marxism-Leninism.

Leaders of the alleged Free World have called for an international alliance to bury socialism. The socialist world is facing an extremely dangerous challenge but its destiny is not as negative as alleged by those representing the capitalist world.

Socialist theory has developed a big gap between itself and real life. This is a sign of crisis, but as a revolutionary doctrine and a science of life, Marxism-Leninism will continue to retain its own basic values. In the history of mankind many social doctrines have emerged but none of them have been able to promptly gather millions of people and shape a combative strength capable of changing the destinies of many nations as has Marxism-Leninism.

Leninism is not a separate doctrine that stands by the side of Marxism but rather a new stage of development of the latter doctrine. The existence of Leninism testifies to the fact that Marxism has opened up great prospects for mankind to develop its social and ideological history. Leninism is inseparable from the victory of the October Revolution, which opened up realistic prospects for the struggles of various oppressed peoples. Despite its ups and downs, socialism—which has changed from a scientific idea into a reality of life—has greatly influenced the world's political image.

Profound and extensive eventful changes on our planet in this 20th century are clearly linked with the tremendous driving force of Marxism-Leninism.

The source of theory is life. Theory always stems from life and continues to constantly develop and be supplemented with new findings. Life is changing every day. Marxism has paved the way for a great ideological revolution in human society. Marxism is, however, a product—the greatest and most perfect—of a specific era, that is, the 19th century.

One hundred years or more have elapsed. Especially the past half century has witnessed countless repeated earth-shaking events. Mankind is now facing a host of new problems of development. Marxism should also develop at a new tempo, sum up new values, and meet those new requirements arising from everyday life.

The unusually fast development of intelligence and science has strongly attested to those ingenious ideas of Marx, Engels, and Lenin about the laws of evolution of natural elements, society, and human thinking.

The coming into being of a new production force one hundred times greater than that generated by the first industrial revolution has testified to the real ability of mankind to advance to a plentiful society and a free era. The coming into existence of the new prodution force has served as an ever-stronger objection to the system of exploitation of man by man, social injustices, and the corruption of labor and human beings.

Shortcomings and mistakes previously displayed in the process of building up the socialist model are not due to Marxism-Leninism but rather due to the fact that we have confined ourselves to improper thinking and therefore ignored the latent creativity of Marxism-Leninism. From mistakes mankind has grown up and moved forward. Socialism is a new stage of development during which mankind is managing to avoid serious crimes once committed under capitalism.

Marxism-Leninism has been and will forever be our people's path toward liberation. Marxism is the beacon of the Vietnamese revolution.

In the Vietnamese people's national liberation struggle, our communists have made numerous valuable contributions. Those mistakes committed by us are chiefly due to our failure to fully understand the revolutionary and scientific ideas, our lack of a sense of independence and sovereignty when it comes to solving problems arising from the Vietnamese revolution.

In various draft documents to be presented at the seventh party congress, our entire party and people have vigorously affirmed our pursuit of the revolutionary path of Marxism-Leninism—that is, the path already chosen by Uncle Ho for our people to lead the revolutionary undertaking to extremely glorious victories.

NHAN DAN Marks Ho Chi Minh's Birthday

BK1905003491 Hanoi VNA in English 0622 GMT 18 May 91

[Text] Hanoi VNA May 18—Marking the 101st birthday of President Ho Chi Minh (May 19), the daily NHAN DAN says that "the Vietnamese people's revolutionary cause in the past six decades has always been associated with the Communist Party of Vietnam and the name of Ho Chi Minh".

The paper goes on:

"Proceeding from ardent patriotism, President Ho Chi Minh found the way to Marxism-Leninism drawing from this most revolutionary and scientific theory of the era the way to save that people and the country. To him, national independence and socialism are inseparable. Keeping firmly to that great truth, he consistently and creatively applied and developed Marxism-Leninism in the concrete conditions of Vietnam. The combination of national independence and socialism has become the most glorious banner of our party to steer the revolution from one victory to another through a maze of difficulties and errors."

"The founder, leader and trainer of our party, President Ho Chi Minh gave all his energy to building a party loyal to Marxism-Leninism and proletarian internationalism, closely associated with the people, the decisive factor in the success of the revolution. That is why, Marxism-Leninism and Ho Chi Minh's thoughts have always been the basic theory and the lodestar of our party and people in the past and in our present renovation. Over the past four years, owing to the creative application of Marxism-Leninism and Ho Chi Minh's thoughts our party and people have engaged in an overall renovation and achieved initial achievements of important significance."

"The coming seventh party congress will reaffirm the socialist path chosen by President Ho and our party and people and take it to a higher level in the continued process of renovation with a view to getting the country out of crisis and building a free and happy life for our nation".

Nguyen Nam Khanh Attends Course Opening

BK2105051191 Hanoi Voice of Vietnam Network in Vietnamese 1400 GMT 20 May 91

[Text] The Military Command of Quang Ninh Province recently held a ceremony to mark the opening of class two of the training course for grass-roots cadres of highland border regions and offshore islands. All the sixty trainees recruited from among various ethnic minorities in the province were present. Senior Lieutenant General Nguyen Nam Khanh, member of the Party Central Committee and deputy director of the General Political Department, attended the opening ceremony and met with the class two trainees.

At a working session with the leaders of the provincial party committee and military command, Comrade Nguyen Nam Khanh said the cadre training orientation followed by Quang Ninh was suitable for the requirements of the current task of building strong grass-roots units.

Class two has benefited from the experience of class one in recruitment procedures, trainee selection criteria, and curriculum contents. The training plan was formulated by the provincial military command and the organization department of the provincial party committee and was approved by the provincial party committee and people's committee. The various provincial organs, departments, sectors, provincial military command, and party school, the school of economic and administrative management, and the military school of Quang Ninh will coordinate in the teaching of military, political, economic, and state administration subjects. The costs of room and board of the trainees, who are entitled to the same benefits as those of an Army second lieutenant, are borne by the province. The training period will last more than a year. The military school of Quang Ninh applies a trainee management system similar to that of the Army officer candidate schools.

Extra Funds Allocated for Animal Husbandry

BK1805090591 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 17 May 91

[Text] The Council of Ministers recently issued a decision on allocating supplementary funds to maintain and raise the quality of purebred livestock and poultry.

The allocation of these additional funds to central installations will be borne by central budget while the same allocation to localities will be borne by local budgets according to the annual plan.

The agricultural development bank is responsible for granting loans at the lowest current interest rates to animal raising installations depending on the production cycles in order to ensure the satisfactory raising of purebred livestock and poultry.

Ministry Introduces General Forestry Plan

BK1705020691 Hanoi Voice of Vietnam Network in Vietnamese 1000 GMT 10 May 91

[Text] The Ministry of Forestry on 10 May held a conference with sectors and branches concerned to introduce the draft general forestry plan No. VIE-88037, which has been sponsored by the UNDP [United Nations Development Program], the Swedish organization SIDA [Swedish International Development Authority], the Soviet Union, Australia, New Zealand, and the FAO.

With close cooperation provided by UN specialists to various aspects, the plan has been implemented since August 1989 and thus far 16 reports have been completed. Morover, the first draft on the general report of the plan has also been finished.

Most of the reports stressed 11 key issues related to the close relationship between land and people, protection of land and natural resources, development of river mouths, and processing of forestry products.

On the basis of documents of the draft general forestry plan, Vietnam will formulate concrete policies on establishing nine national projects including the protection of the environment, settlement of nomads, allocation of land and forest, agro-forestry development, planting of firewood, and processing of timber and forestry products. Vietnam will also formulate 50-60 other projects aimed at quickly greening more than 10 million hectares of fallow land and bare hills so as to increasingly improve forestry in Vietnam.

Forest Protection Program Viewed

BK1905145291 Hanoi VNA in English 1335 GMT 19 May 91

[Text] Hanoi VNA May 19—A review on a forest protection and development project has been held here by the Ministry of Forestry. The project has been carried out in Vietnam since August 1 '89 by the Food and Agriculture Organization of the United Nations and Vietnam's Ministry of Forestry with financial aid from the United Nations Development Programme and the Swedish International Development Authority (SIDA).

The Soviet Union, Australia and New Zealand have sent specialists to help in the project.

Speaking at the review Dong Si Nguyen, Politburo member of the Communist Party of Vietnam Central Committee and vice chairman of Council of Ministers, expressed thanks for international assistance to forest protection and development in Vietnam.

After more than 20 months of data collection and study tours, Vietnamese and foreign specialists completed 16 reports and organized 16 seminars. The compilation of reports for the sector review helps to formulate a strategy for forestry development up to the year 2000 in Vietnam, a draft law on forestry, and several projects on the creation of paper material zones, and watershed protection forests around the Hoa Binh Reservoir in Ha Son Binh, the Dau Tieng Reservoir in Tay Ninh and the Tri An Reservoir in Dong Nai.

The project also covers programmes on environmental protection, fixed cultivation and sedentarisation, land allocation, wood-based fuels, wood and non-wood industries, and institutional development. A seminar is scheduled later this year to call tenders for foreign investment in forestry and environmental protection for the period 1991-95 at an estimated cost of one billion US dollars.

Tran Duc Luong Addresses Environment Conference

BK2105102591 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 17 May 91

[Text] The first National Conference on Environmental Sanitation and the Environment was held in Haiphong from 13 to 14 May by the Ministry of Construction. Tran Duc Luong, vice chairman of the Council of Ministers, attended and addressed the conferees. Also on hand were Finnish environment and water supply specialists currently working in Haiphong.

At present, more than 12 million people are living in nearly 500 urban centers under polluted conditions where only 40-50 percent of the garbage can be collected daily. The amount of waste material produced by construction work is increasing very rapidly, especially in Hanoi and Haiphong. The cities lack up to 70 percent of the necessary sewage systems, and waste water often stagnates in canals, ditches, and reservoirs, many of which have been seriously polluted, such as the To Lich Canal system in Hanoi and 100 km of canals and ditches in Ho Chi Minh City. In the entire country, only 55 cities have an organization exclusively in charge of sanitation management; in the remaining urban centers, workers of construction offices are the only ones in charge of this task. The life-style of city dwellers, who are not taught about environmental sanitation, has also caused more difficulties for urban sanitation and environmental management.

Statements made by government officials and responsible agencies at the conference shed light on the degradation of urban sanitation and worsening environmental pollution and on the urgent demand for a solution to this problem. Main measures suggested included urban construction planning and management, increased financial sources, measures aimed at consolidating the technical branch of urban sanitation, the application of scientific and technical advances, and the perfection of various laws, regulations, policies, and procedures concerning the urban water supply and drainage, propaganda and educational work, and international cooperation.

Delegates at the conference proposed that the government promptly draft and promulgate a law on environmental protection and urban management to ensure the successful fulfillment of this important task.

Apr Issue of TAP CHI CONG SAN Reviewed

BK1805105291 Hanoi Voice of Vietnam Network in Vietnamese 1000 GMT 21 Apr 91

[Summary] In today's press review program we would like to introduce you to the "contents of the April 1991 issue of TAP CHI CONG SAN."

The journal begins with an article titled "Youth Motivation Work Under the New Situation" by Comrade Vu Oanh, secretary of the Communist Party of Vietnam Central Committee. The fundamental question raised by the article concerns "how to bring into full play the latent potential and strength of youths to make them truly the future of the nation and the enormous and powerful force of the revolution and the renovation process." The article then presents the main guidelines for youth motivation work at present.

Next is an article titled "The Trend of Evolution of History and the Issue of Land Ownership at Present" by Vu Hung, a lecturer of philosophy, dealing with the movement for agricultural cooperativization. According to the author, "when settling the issue of land ownership, we not only proceed from the law of objective evolution and the requirements of the age, but must also pay attention to the economic, cultural, and social characteristics of the country together with all the heritages and historical traditions and experiences of the past."

This is followed by an article titled "Contribute Additional Views on the Principle of Democractic Centralism" by Nguyen Van To, holder of a Masters Degree in economic science. The author presents an "analysis of his viewpoint and perception concerning the fundamental substance of the principle of democratic centralism and the application of this principle in the party."

In its "Advance to the Seventh Party Congress" section, the journal carries a number of articles "contributing views on the drafting of the party's platform and strategy."

In assessing "Marx's viewpoints on the issue of private ownership and public ownership," one of these articles affirms that Marx's viewpoints on this issue were not wrong and could be found from his many works.

Next is an article dealing with "The Socialist Revolution in the Ideological and Cultural Domains" by Nguyen Dinh Luan, holder of a Masters Degree in philosophy. The author "exchanges views on the issue concerning the principles of carrying out the socialist revolution in the ideological and cultural domains specified in the draft platform."

This is followed by an article titled "The Issue of the Peasant-Worker-Intellectual Alliance" by Do Khanh Tang, holder of a Masters Degree. The article affirms that "due to objective and subjective conditions in our country at present, we must point out clearly the need to build up the bloc of the peasant-worker-intellectual alliance."

Also included in this section is an article by Vu Hien: "It Is Necessary To Attain a Scientific-Oriented Perception of Modern Capitalism." The author "discusses an additional number of angles in the part dealing with capitalism in the draft platform."

The journal begins its "Research" column with an article by Professor Dau The Bieu: "The Party's Leading Role in the Political System." The article says: "Our country's political system—which includes the party, the state, the Fatherland Front, and various mass organizations—is organized and operates under a mechanism that fully ensures the powers of the people under the party's leadership."

Next is an article by Nhat An: "Regarding the Driving Force for Social Development." The article points out some viewpoints concerning ways of reaching different definitions on the driving force for social development.

The last article in this section is written by Le Quang Duc of the Vietnam Institute of Social Sciences under the title: "Families in Socialism." The article "points out and analyzes a number of new ideas about the role and functions of families in our social life."

In its "Opinions and Experience" section, the journal carries an article by Nguyen Nhu Y: "Policies on National Languages," pointing out a number of important policies of our party and state toward languages of all nationalities in Vietnam, and an article by Nguyen Hong Son and Nguyen Van Nam reflecting "actual cultural and spiritual life in some districts in the central part of the country."

In its "Practical Scientific Seminar" section, the journal presents a number of speeches delivered at the seminar on the role and right to autonomy in business transactions of state enterprises, which was jointly held by the Thanh Hoa provincial party committee and journal itself at Bim Son cement plant on 16-17 March 1991.

The "Activity and Ideology" section carries an article by Ngan Vu: "The Other Side of the Vote," urging people to be careful when casting a vote.

In its "Letters to the Editorial Staff" section, the journal carries the views contributed by Hoang Than, a reader at the Lam Dong Union of Tea Enterprises.

Found in the "World, Problems, and Events" section are an article by Vo Thu Phuong titled "The Incident in the Gulf Region," pointing to two central issues of a new world in the 21st century—a new world order and regional problems, and an article by Tran Trong Thin of TAP CHI QUOC PHONG TOAN DAN: "The Military Balance Is Changing, So What Strategy for Tomorrow?"

The "Through Foreign Publications" section presents an article by the editorial staff of the magazine SOVIET COMMUNIST commenting on the new national referendum on the party in the Soviet Union, and an article titled "Reforms in China's Countryside," which was published in the April 1989 issue of the Soviet weekly NOVYY MIR.

Australia

24 Cambodian Refugees Face Possible Deportation

BK2105071891 Melbourne Radio Australia in English 0500 GMT 21 May 91

[Text] A group of Cambodian boat people who have been refused refugee status in Australia now face possible deportation. The 24 Cambodians have been moved to the northern city of Darwin from a detention center in Sydney where they have been held for nearly two years. There were scuffles between security guards and protesters who tried to prevent a bus from leaving the complex.

The executive director of the Refugee Council of Australia, Luke Hardy, says he will be closely watching the fate of the Cambodians and the government should carefully consider any appeals.

[Begin Hardy recording] We do not believe this is the time that people should be sent back to Cambodia. Clearly Australia does not recognize Cambodia and the situation in Cambodia is severe enough for Australia to be up front calling for peace settlements and a diplomatic solution to the terrible problem. So we do not think that Australia should be partner in that kind of action with the expulsion of Cambodian asylum seekers. [end recording]

New Zealand

Protest Procedure for Nuclear Tests Altered

BK2105031291 Hong Kong AFP in English 0218 GMT 21 May 91

[Text] Wellington, May 21 (AFP)—New Zealand has given up protesting every single French nuclear test in the South Pacific and will now issue protests as each series of tests starts, a spokesman for Foreign Minister Don McKinnon said Tuesday.

It was "a change in procedure, not a change in policy" he said.

Opposition leader Mike Moore said the government's decision not to protest each nuclear test was "a major and serious policy reversal." In a statement, he said New Zealand's silence would be regarded as tacit approval.

France exploded a nuclear device Sunday at Mururoa Atoll but for the first time New Zealand made no comment, drawing a claim from the environmental movement Greenpeace that New Zealanders would be outraged at the failure to condemn tests.

But Mr. McKinnon's spokesman said Prime Minister Jim Bolger had condemned the latest test series on May 8, the day the series started.

He said the government remained opposed to nuclear testing and the change in procedure was made because the French had announced the series. Previously, he said, New Zealand only found out about tests after the seismic station at Rarotonga recorded the first blast.

He added, "the prime minister recently announced his opposition to the testing at a press conference with the French prime minister (then Michel Rocard).

"We make protests at the South Pacific Forum, in the United Nations. New Zealand's opposition has been made at the very highest levels," he said.

Policy Said 'Weakening' on Tests

BK2105101291 Melbourne Radio Australia in English 0803 GMT 21 May 91

[From the "International Report" program]

[Text] In New Zealand the government is under fire for not following previous procedure in condemning the latest French nuclear tests in the South Pacific. The opposition leader, Mike Moore, says there has been a serious policy reversal and New Zealand's silence about yesterday's test will be interpreted as tacit approval for it. Conservation groups are also angry. In response, Prime Minister Jim Bolger says New Zealand's opposition to French testing remains undiminished. Our Wellington correspondent, Brendon Byrnes reports.

[Begin recording] [Byrnes] It has been the practice for many years for New Zealand to announce nuclear tests in French Polynesia with these being detected by a New Zealand monitoring station in the Cook Islands. Each test announcement was accompanied by criticism of the test and by New Zealand's wish for the testing to end. But Sunday's 60-kiloton explosion announced in Paris under a new more open regime about the testing program drew no comment from the Bolger government in Wellington.

The environmental organization, Greenpeace, amongst others says this indicates a weakening of the Government's opposition to French nuclear testing. Greenpeace claims a French television channel noted the lack of New Zealand protest and interpreted this as indicating reduced concern about nuclear tests.

Opposition Labor Party leader, Mike Moore, says such interpretations will occur if there is a lack of criticism about each test. He says it is expected of New Zealand to protest and failure to do so is a serious policy reversal. But, Prime Minister Jim Bolger says New Zealand's concern about French nuclear testing remains unchanged. Mr. Bolger issued a statement earlier this month when the latest testing series began saying the tests were unwelcome and did not help France's standing as a positive partner in South Pacific affairs. Mr. Bolger said the same stern message was given to former French prime minister, Michel Rocard, who visited New Zealand 3 weeks ago, shortly before his resignation.

[Bolger] And I repeat that I made it very clear in the discussions that I had with Prime Minister Rocard that our view was that those tests should not continue; we did not want them in the Pacific. If the French believed that they were so secure instead, well then, there is a lot of scope and space on mainland France. Now, we have not diminished (?one iota) from that position. And I do suggest that to just put out a simple statement every few days does not make our strength of opposition any stronger, and conversely by not doing it make it any weaker.

[Byrnes] Prime Minister Bolger says with France now announcing the tests, there is [word indistinct] occasion for New Zealand to express its opposition, but a change of procedure does not mean a change of policy. France, he says, would be quite wrong to interpret matters in any other way and that New Zealand remains firmly opposed to nuclear testing in the South Pacific. [end recording]

Fiji Prime Minister Ratu Kamisese Mara Arrives

BK2105070891 Melbourne Radio Australia in English 0500 GMT 21 May 91

[Text] Fiji's prime minister, Ratu Sir Kamisese Mara, has arrived in New Zealand to join other Pacific island leaders for the 25th anniversary celebrations of the Maori queen's coronation.

It is Ratu Mara's first extensive visit to New Zealand since the 1987 military coups in Fiji, although he had had talks with foreign minister, Don McKinnon during a brief stopover in Auckland last year while in transit from Suva to Malaysia.

Cook Islands prime minister, Geoffrey Henry, has also arrived for the celebrations for the Maori queen, and other island leaders expected include Western Samoa's head of state and the paramount chiefs of Tahiti and the Cook Islands.

Military Reportedly 'Falling Behind' Allies

BK2105091491 Hong Kong AFP in English 0900 GMT 21 May 91

[By Michael Field]

[Text] Wellington, May 21 (AFP)—New Zealand's military forces are being degraded and their capability is falling behind that of the country's allies, a defence white paper released here Tuesday said.

However, it said New Zealand's defence priorities should be the protection of its global interests, a commitment to global stability, and the security of its trading partners.

That contrasted with the last white paper, a 1987 document that said New Zealand should concentrate on security in the South Pacific.

Written under the previous Labour government, it was severely criticised as isolationist by the country's defence establishment.

The new white paper, while portraying the New Zealand Defence Forces (NZDF) as being in a sorry state, said New Zealand should be able to maintain "a credible minimum defence force."

The 100-page report, written by defence policy adviser Gerald Hensley and released by Prime Minister Jim Bolger, said New Zealand faces no realistic external security threat.

But, it added, New Zealand's military had suffered as a result of the Labour government's anti-nuclear policy, which led the United States and Britain to suspend defence ties, including preferential New Zealand access to military equipment. New Zealand was also excluded from military exercises with the United States.

The break in ties had lowered the professional standards of the NZDF and the gap could not be filled by Australia, the paper said.

"As a result, the ability to operate with our traditional allies in a modern combat environment and interoperability on land, at sea and in the air is steadily degrading," it concluded.

"Without access to the latest allied doctrine and tactics we are falling behind."

New Zealand has neither adequate defence stocks nor an assurance of quick resupply, the report said, identifying as a "significant shortfall" the fact that the NZDF does not have sufficient sea or air transport to deploy and sustain a battalion away from New Zealand.

The air force has five C130 Hercules, which are about 25 years old, two Boeing 727s, and some shorter-range Andovers.

"Obsolescence is about to overtake our entire air transport fleet," the report warned, adding that the country's four frigates are equipped with obsolete weapon systems and have limited ability to detect submarines.

New Zealand has 21 A-4 Skyhawk combat aircraft, also obsolescent, six of which are stationed in Australia. The paper called for a further review of their role, and said they could be mothballed or sold off if they were found to be "less relevant."

Mr. Bolger said most other defence units had more than one role, such as disaster relief in addition to their military duties, but that the Skyhawks "have a strictly limited role, and that's in battle."

The paper will be used as a framework for reviews, to be conducted over the next six months, into the defence force's financial management, the future of the Skyhawk squadron, the role of regular and reserve forces and the levels of maritime surveillance and anti-submarine warfare capability, as well as the possible leasing of commercial planes and ships.

The paper also referred to sharing defence costs with Australia, and Mr. Bolger said he had recently raised the issue with Australian Prime Minister Bob Hawke.

"Where we can cooperate, we should," he said.

Mr. Bolger accepted the report's call for a credible force, but added that "for it to be credible it has to fit into the capacity of the government and country to pay. In other words, it must fit into the overall fiscal strategy of the day."

The report noted New Zealand's defence spending had dropped in recent years from about two per cent of gross domestic product to 1.8 per cent last year, and "is likely to fall further."